

# Community Housing Plan

Town of Southold



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TOWN OF  
**SOUTHOLD**  
NEW YORK



# Town of Southold Community Housing Plan

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## 1.0 INTRODUCTION

Southold Town is a 54 square mile farming, fishing, and small business community made up of the ten distinct hamlets of Cutchogue, East Marion, Fishers Island, Greenport West, Laurel, Mattituck, New Suffolk, Orient, Peconic and Southold. The Incorporated Village of Greenport is within the geographic boundaries of the Town and has participated in the drafting of this Housing Plan.

The Town of Southold and the Village of Greenport have historically been communities where neighbors know neighbors and families occupy generational homes. These generational ties to the land and community are strong, yet because of changing community dynamics, stable year-round moderately priced housing is increasingly challenging to find. People struggling to find local housing priced within their means include a wide-ranging array of community members. The lack of availability of suitable housing options will have short and long-term impacts on the Town of Southold, forever shaping its future.

Over the past several years, the challenges of finding stable year-round moderately-priced housing have been exacerbated by economic and regional events. The unprecedented COVID-19 pandemic led to an influx of new residents which further compounded the already increasing housing costs. In addition, a surge in short-term and seasonal rentals have prompted a reduction in an already small supply of available year-round rental homes and apartment stock. Most importantly, the gap between housing costs and median household income has significantly widened over the last few decades and continues to accelerate, increasing the portion of the population for whom homeownership is out of reach.

In recognition of the housing crisis that the region is experiencing, the Peconic Bay Region Community Housing Act (Act) was passed by the New York State Legislature. The Act gave the five East End Towns the authority to establish a Community Housing Fund (CHF) to expand housing opportunities. Southold voters passed the local referendum in November 2022, establishing the Southold CHF and authorizing a real estate property transfer fee of 0.5 percent. Beginning April 1, 2023, the revenue from the transfer tax will be collected and placed into a dedicated fund for community housing. Prior to any expenditures from the Southold CHF, the Town Board must adopt a Housing Plan that identifies priorities for expenditures of the real property transfer fees collected through the Southold CHF. This Community Housing Plan ("Housing Plan" or "Plan") expands upon current efforts by the Town and outlines a set of goals and recommendations, including funding programs to address the community housing crisis in the Town of Southold and Village of Greenport. Upon adoption by the Southold Town Board, this Plan will be an addendum to the Southold Town Comprehensive Plan. Through an Intermunicipal Agreement, this Plan will be used by the Village of Greenport.



The Southold CHF will be subject to the rules dictated by the Act which are restricted to a set of eligible expenditures, and eligibility requirements which are described in Section 1.2 and provided in full in **Appendix A**. This Plan also expands on the work that the current, and past, Town Boards have accomplished over the years to facilitate the creation of attainable housing within the Town which is summarized in **Section 2**. Most importantly this Plan will establish an important framework to address the housing crisis. It is not intended to solve all the challenges of housing within the Town but rather it will galvanize the Town's and Village's resources toward finding viable solutions. **Section 3** provides a Housing Needs Assessment that looks at demographic trends and the landscape of available housing stock, utilizing the results of a local survey coupled with census data and other resources. **Section 4** outlines the recommended funding programs, **Section 5** includes recommendations for implementation and management, and **Section 6** presents additional items for consideration.

For the sake of consistency in terminology while reading through this Housing Plan, please note the following definitions:

1. Affordable/Moderate Income Housing – As defined by Southold Town Code §280-25, a dwelling unit reserved for rent or sale to a moderate-income family<sup>1</sup> for which the maximum monthly rent or initial sales price does not exceed the prices set forth in Town Code §280-30D.
2. Community Housing - As defined by the Peconic Bay Region Community Housing Act, community housing is defined as a primary residential property for an eligible individual that does not exceed 150% of the purchase price limits established by the state of New York mortgage agency low interest rate loan program in non-target categories<sup>2</sup> for Suffolk County in effect on the contract date for the sale of such property.
3. Attainable Housing – Typically refers to income levels at or near the Area Median Income. For the purposes of this Plan, the term “attainable” is used as an umbrella for “affordable” and “community”.
4. First-time Homebuyer – As defined in the Act is an eligible individual who has not owned a primary residential property and is not married to a person who has owned a residential property during the three-year period prior to his or her purchase of the primary residential property, and who does not own a vacation or investment home.

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<sup>1</sup> A moderate-income family is defined in §280-25 as a family that is registered with the Town of Southold Housing Registry whose aggregate annual income, including the total of all current annual income of all family members (excluding the earnings of working family members under age 18) from any source whatsoever at the time of application for the purchase or lease of an affordable housing unit or the purchase of an unimproved affordable lot, does not exceed 120% of the HUD median income for the County of Suffolk.

<sup>2</sup> Accepted July 25, 2022, until further notice: Purchase Price Limit for 1-Family New & Existing Non-Target Homes in Suffolk County is \$806,590. Therefore, 150% of the purchase price is currently \$1,208,385 establishes the maximum purchase price identified as community housing under the Act



## **1.1 Purpose of this Community Housing Plan**

The purpose of this Community Housing Plan is to increase access and opportunities to fund the creation and maintenance of a diversity of housing types (including affordable/moderate-income as set forth in §280-25) in Southold Town. In addition, the Plan aims to foster management and outreach strategies to form public /private partnerships to benefit all sectors of the Town's and Village's populations.

The Plan provides goals and recommendations for expanding community housing opportunities in the Town of Southold and Village of Greenport and was prepared with input from the Town appointed Community Housing Fund Advisory Board, Town Board, Town planners and members of the public. The Plan builds upon the housing goals presented in the 2020 Town of Southold Comprehensive Plan by utilizing data supplemented with a housing needs analysis based upon available socioeconomic census data and public input received through a Housing Survey.

## **1.2 Peconic Bay Region Community Housing Act**

The Peconic Bay Region Community Housing Act (Act) was passed by the New York State Legislature in January of 2021 in recognition of the housing crisis that the region is experiencing. The Act expands on the structure of the Peconic Bay Community Preservation Fund (CPF) implemented in 1998 that established a 2% real estate transfer tax for the purpose of land preservation.

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Based upon an analysis of real estate sales in past years (pre-pandemic), it is projected that the new transfer tax could raise over \$1 million per year for community housing in Southold Town.

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The passage of the Act gave the East End Towns the authority to establish a dedicated Community Housing Fund to increase housing opportunities through a 0.5% real estate transfer fee in addition to the 2.0% transfer tax collected under the Community Preservation Fund. The State Legislature also approved a change in exemptions that formerly applied to transfers collected under the CPF program, which are found in New York Consolidated Laws, Tax Law - §1449-ee. These exemptions are detailed below:

- For the Town of Southold, the exemption for sales of improved properties increases from \$150,000 to \$200,000 as compared to the former exemptions on the Community Preservation Fund Transfer Tax.





- The exemption would not apply for properties selling for over \$2,000,000 for either the CPF or CHF.

In addition to providing a structure to collect monies, the Act identifies allowable expenditure categories for implementation of community housing in accordance with a Community Housing Plan. See **Appendix A** for full eligibility and funding provisions.

It is important to point out that one limitation of the Act is that the definition of “community housing” is based upon the maximum **sales** price of a residence (established by the State of New York Mortgage Agency) as related to providing first time homebuyer assistance, and therefore, does not include price or income guidelines for **rental** housing. Therefore, it is recommended that the Town continue to establish terms for both rental limits and maximum home sale prices.

The Act requires that the Plan adhere to “smart growth principles” which are consistent with the comprehensive planning goals of the Town. The following chart summarizes the smart growth principles as detailed in the Act.

Smart Growth Principles <sup>3</sup>	
Public Investment	Account for and minimize social, economic, and environmental costs of new development, including infrastructure costs
Development	Encourage development in areas where transportation, water, and sewage infrastructure are available or practical
Conservation	Protect, preserve, and enhance natural resources, open space, scenic areas, and significant historic and archeological sites
Coordination	Promote coordination of state and local government decisions and cooperation among communities to work toward the most efficient, planned and cost-effective delivery of government services
Community Design	Strengthen communities through strategies that include integration of all income and age groups while utilizing diverse types of development
Transportation	Provide transportation choices, including increasing public transit and alternative modes of transportation
Consistency	Ensure predictability in building and land use codes
Community Collaboration	Develop smart growth plans through a collaborative community-based effort

<sup>3</sup> As defined in the Peconic Bay Region Community Housing Act (see Appendix A).



In addition to the smart growth principles outlined above, the Suffolk County Planning Commission (SCPC) Guidebook provides goals and policies that are appropriate for the Town of Southold and consistent with comprehensive plan goals. The SCPC Guidebook highlights specific housing policy recommendations, including:

- Encourage a diversity of housing types, equitably distributed across all communities, including the development of multi-family and/or rental housing as well as the development of low- and moderate-income housing units.
- Balance increases in density, the availability of infrastructure, and retail services to accommodate growth and environmental constraints to growth.
- Provide housing that works for special needs populations by utilizing universal design principles.

The SCPC Guidebook also recommends that new buildings and developments incorporate design elements that promote public safety in order to help preserve Suffolk's pleasant places, help improve property values, and foster a general sense of community well-being.

### **1.3 Community Housing Fund Advisory Board**

This Plan has been developed with the guidance of a dedicated Community Housing Fund Advisory Board. The CHF Board members were appointed by the Town Board in September 2022 to act in an advisory capacity by making recommendations and reviewing the Plan. The members represent diverse backgrounds and an array of industries as required by the Act, and all share a deep commitment to Southold Town and the Village of Greenport. The CHF Board actively engaged with NPV consultants, Town Planning staff, and a Town Board liaison via Zoom to learn about the Peconic Bay Region Community Housing Act, to understand their unique role and responsibility, and to provide input into the contents of this Plan. Over the course of over 10 meetings the Community Housing Advisory Board:

- Learned about the Peconic Bay Region Community Housing Act – the reason for its creation, possible expenditures, and eligibility requirements.
- Shared and learned from each other about the unique challenges that Southold & Greenport are facing in regard to housing.
- Developed a survey to gather public input on housing needs and challenges.
- Created informational materials: posters/flyers, email blasts, newspaper/radio advertisements, and an FAQ sheet to get the word out about the survey and the local referendum on the ballot for November 8, 2022.
- Reviewed Southold Town's Comprehensive Plan housing goals and a Plan draft outline.



- Prepared presentations to the Town Board providing overview of the Peconic Bay Region Community Housing Act and a proposed structure for expenditures from the Community Housing Fund.
- Developed goals for community housing in Southold.
- Identified priorities for fund expenditures.

The Community Housing Board participated in a series of working meetings to provide input on a working draft of the Plan starting in February 2023 and developed a series of goals to develop an effective program. The following goals guided the recommended community housing expenditures outlined in Section 4:

1. Establish a Housing Department to administer a comprehensive housing program (see Section 5.1 for further details).
2. Increase diversity of housing types.
3. Meet the needs of the population at different income levels.
4. Provide opportunities for community housing for each hamlet that are consistent with the individual community (i.e., character, infrastructure and environmental considerations).
5. Increase year-round rental opportunities, both through maximizing accessory dwelling units, and integrating multifamily development where appropriate throughout the Town.

## **1.4 Community Housing Fund**

In August 2022, the Town of Southold amended the Town Code to add Article VI Establishment of Community Housing Fund (Sections 17-47 through 17-53 of Town Code) to provide the foundation for administration of the fund. The stated primary source of revenue for the Fund is to be the Peconic Bay Region Community Housing Fund Act real estate transfer tax<sup>4</sup>. As noted, based upon real estate sales in past years (pre-pandemic), the transfer tax could raise over \$1 million per year for community housing in Southold Town. The Community Housing Plan must be adopted by the Town Board prior to fund expenditures.

The Community Housing Fund eligible expenditures proposed in this Plan include loans for Town residents that are first-time homebuyers, funds associated with the production of community

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<sup>4</sup> Per NY Town L§ 64-k (2), deposits into the fund may include revenues of the local government from whatever source, including but not limited to (a) all revenues from the supplemental real estate transfer tax authorized by subdivision two of section fourteen hundred forty-nine-bb of the tax law; (b) all proceeds from any indebtedness or obligations issued pursuant to the local finance law for community housing opportunity purposes as authorized in subdivision three of this section; (c) general fund balances or surpluses; (d) any proceeds received by the local government from the sale or rental of community housing produced from revenues of the fund; (e) the repayment of any loans issued from proceeds of the fund; (f) any gifts of interests in land or funds; and (g) any state or federal grants received by the town for providing affordable homes.



housing for sale or rent, maintenance of rental housing, rehabilitation of existing housing, and housing counseling services. The textbox on the following page provides a simplified list of the permitted expenditures from the CHF as defined in the Act.

**The Community Housing Fund may be used to:**

- Provide down payment or other financial assistance to first-time homebuyers;
- Fund projects that design and build community housing for sale;
- Fund projects that design, build, and/or maintain community housing for rent;
- Rehabilitate and maintain existing buildings for conversion to community housing for sale or rent;
- Provide loans to construct Accessory Dwelling Units (ADU) that are occupied or rented for community housing;
- Create housing for employees of local businesses;
- Buy land, buildings, or existing housing units to provide community housing for sale or rent; or to
- Provide housing counseling services.

Eligible expenses relating to the production of community housing and the rehabilitation of existing buildings under the fund include but are not limited to land acquisition, planning, engineering, construction costs, and other hard and soft costs directly related to the construction, rehabilitation, purchase, or rental of housing.

## **1.5 Community Housing Plan and the Southold Town Comprehensive Plan**

This Community Housing Plan seeks to be consistent with and further the vision and goals of the Southold Town Comprehensive Plan ("Comprehensive Plan") adopted in 2020. The Comprehensive Plan recognizes that there is a housing crisis in Southold Town because the prices of most homes, to purchase or rent, have increased beyond the ability of many residents to afford. The Village of Greenport has also recognized the need for additional attainable housing



options and has shown their commitment by joining the Town of Southold in the preparation and implementation of this Plan<sup>5</sup>.

The vision established by the Comprehensive Plan provides an overarching goal for future planning, – and development of any kind – including community housing:

*“Future planning shall be compatible with existing community character while supporting and addressing the challenges of continued land preservation, maintaining a vibrant local economy, creating efficient transportation, promoting a diverse housing stock, expanding recreational opportunities and protecting natural resources.”*

The Housing Chapter of the Southold Town Comprehensive Plan identifies the following goals pertaining to the creation and sustainability of attainable housing within the Town.

- Goal 1: Create Affordable Housing
- Goal 2: Promote Awareness About Housing Issues
- Goal 3: Retain Residents in Existing Housing
- Goal 4: Protect Quality of Life
- Goal 5: Develop Best Practices in Housing

For further information on how this Plan supports the housing goals outlined in the Comprehensive Plan view **Appendix B**. Additional details about the Town’s commitment to community housing is provided in **Section 2**.

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<sup>5</sup> It is noted that the Village of Greenport has a Housing Authority which oversees the provision of Section 8 and public housing. Housing authorities are independent agencies governed by the U.S. Department of Housing and Urban Development (HUD). This Plan is to guide funding for projects which increase community housing in part through the Peconic Region Community Housing Fund Act.





## 2.0 COMMITMENT TO COMMUNITY HOUSING

Southold Town has a longstanding commitment to attainable housing. In the 1980s the Town Board passed legislation establishing a unique zoning district called the Affordable Housing District (AHD). Since then, the Town has furthered efforts in exploring housing solutions, including the following actions:

- Changing the zoning district of SCTM # 1000-61-1-9.1 from HB to Affordable Housing District (AHD) (Local Law 1 of 2021).
- Adding code amendments to allow for the conversion of existing buildings to apartments by special exception from the Board of Appeals. This conversion of buildings to a maximum of six apartments is permissible under the condition that the parcel is located within a designated Hamlet Center or HALO zone (Local Law 5 of 2022).
- Amending Chapter 17 Community Preservation Fund to establish a Community Housing Fund (Local Law 8 of 2022).
- Establishing an Affordable Housing Review Committee in 2022 to ensure affordable housing developers receive a comprehensive, timely, and cost-saving review of applications for change of zone. This committee is developing an Affordable Housing Valuation Index, based on best practices in community planning, to achieve greater consistency in decision-making related to the Affordable Housing Zoning District. A summary of the process is provided in **Appendix C**.
- Enacting an Annual Rental Permit requirement to provide safety inspections for units and a required Certificate of Occupancy.
- Supporting ongoing community housing projects through efforts of the Housing Advisory Commission and existing Town Housing Fund.
- Amended Chapter 280, Article VI: Affordable Housing District, Former Subsection B, which limited the number of units per site to 24 ( L.L. No. 4-2023). The number of allowable units will now depend upon zoning and acreage of project site.

### 2.1 Zoning for Community Housing Types

A variety of housing types can serve as community housing, addressing a range of needs across different segments of the population, as determined by income, family status, age, and other factors. Some types of housing may be more suitable for certain discrete groups in the community (i.e., seniors, families, singles, etc.), but no group will have its needs fully satisfied by a single type of housing and no single type of housing will suffice for the entire population.

Examples of different types of housing suitable for community housing include:

- Single-Family Homes
- Two-Family Homes
- Accessory Apartments otherwise known as Accessory Dwelling Units (ADU)



- Multifamily Housing Development (including apartment complexes, condominium/townhome developments, and buildings converted into apartments)

Fortunately, all the above housing types are permitted by Town Code. Accessory apartments provide an essential component of community housing and are permitted in many areas of the Town for rental to family members or to an individual on the Town Affordable Housing Registry (see Section 2.5). The accessory apartment regulations as contained in the current Town Code is cumbersome and varies by zoning district. Simplifying the code would be helpful for implementation of additional accessory apartments throughout the Town. As stated later in this Plan, it is recommended that the Town encourage mixed-income housing developments and diverse options to address the current housing crisis.

## 2.2 Town of Southold Affordable Housing District (AHD)

The Affordable Housing District (AHD) is a versatile zoning tool that allows the creation of attainable housing units townwide. The establishment of an AHD requires a change of zone by the Town Board and must meet specific criteria. The Town of Southold established the AHD zoning district in the 1980's specifically for implementing affordable housing, (see Town Zoning Code Chapter 280, Article VI). The purpose of an AHD is to designate areas for higher density than is permitted elsewhere in the Town, where infrastructure is available or can be provided, for individuals and families with modest incomes. Smart growth principles are applied in the decision making and include ways to ensure preservation of the historic and aesthetic character of the Town.

The Affordable  
Housing District is a  
versatile zoning tool.

In 2022, the Town adopted a new pre-submission review process to allow applicants to receive feedback on housing proposals that require a change of zone to AHD, prior to making a full application. The Affordable Housing Review Committee is charged with making a recommendation to the Town Board regarding a change of zone to AHD. For details on the Affordable Housing Review Committee see **Appendix C** or visit the Town of Southold website.

The AHD, §280-26 section on applicability reads:

*"AHD Districts shall be established by the Town Board on parcels of land that have been identified through the accepted principles of Smart Growth planning as being appropriate and desirable locations for affordable housing. Such locations include, but are not limited to: land within Hamlet Locus Zones (see text box at right), as may be determined by the Town Board; land within walking distance of services, shops, schools, and public transportation; land that adjoins existing centers of business and residential*



*development (as opposed to land adjoining farm and open fields); and other locations where the project has been shown to meet a demonstrable need”.*

Single-family, two-family dwellings and accessory apartments within a single-family dwelling are permitted within an AHD. In 2023, the 24-unit cap was eliminated from the bulk regulations to prompt the construction of more viable developments. Once built, the homes within the district are to remain affordable in perpetuity. Units are required to be occupied by individuals and households on the Town of Southold Housing Registry and income limits apply. An individual or household registered with the Town of Southold Housing Registry whose aggregate annual income, including the total of all current annual income of all family members (excluding the earnings of working family members under age 18) for the purchase or lease of an affordable housing unit or the purchase of an unimproved affordable lot, cannot exceed 120% of the HUD median income for the County of Suffolk. It is noted that the income limits established for the AHD are lower than the income limit established by the Act for the Community Housing Fund, and the purchase price limit for the AHD falls far below the purchase price limit defined in the Act. See the chart below for a quick comparison of current numbers.

	Affordable Housing District	Community Housing Definition
<b>Income Limit</b>	\$175,700 (family of four)	\$204,420 (3+ person household)
<b>Purchase Price Limit</b>	\$439,250	\$1,208,385 <sup>6</sup>

### 2.3 Town of Southold Chapter 34 Housing Fund

The Town of Southold’s Housing Fund was created in May 2004 as a mechanism to secure funding and implement programs to increase the number of affordable housing units for families in need. It is codified in Chapter 34 of Town Code and is principally funded through fees paid by developers that opt out of building moderate-income family dwelling units as required by the Long Island Workforce Housing Act. Pursuant to Chapter 240-10-B(2)(c)[2][a] of the Town Code, the Town Board sets the amount of payment required per housing unit for moderate income family dwelling units not built within the Town of Southold’s inclusionary zoning requirements. In 2022, the amount set by the Town Board was \$290,625 which reflects two times the Nassau/Suffolk median income for a family of four in accordance with the Long Island Workforce Housing Act. At the time of preparation of this Plan, the balance in the Chapter 34 Housing Fund was just over 1.1 million dollars.

<sup>6</sup> Please note that this number is established utilizing SONYMA low-interest loan program information as stated by the Act. This Plan does not support fund expenditures to create or purchase housing at this price level as it is far beyond the means of someone making the local area median income.



As applied in Chapter 34, housing is defined as: *“housing for households whose incomes are not sufficient, pursuant to banking industry standards, to induce private lenders to finance the costs of acquisition of a home with a value at or less than median value as determined by the Town's assessment rolls, without benefit of subsidies or special financing programs from the Town in the case of owner-occupied housing, or in the case of rental housing, as housing for households whose income is insufficient to pay the monthly costs for such housing and maintain such costs within the required percentages of the household's income based upon banking industry standards”*.

The Housing Fund may be used for numerous types of expenditures that support housing, including but not limited to no- or low-interest loans to income-eligible individuals or families for the purchase of a first home, production of community housing for sale or rent to income-eligible individuals or families, maintenance of rental housing, rehabilitation of existing buildings, and housing counseling services.

It is noted that eligible expenditures of the Housing Fund are more flexible than those outlined in the Peconic Bay Region Community Housing Act. Therefore, the Chapter 34 Housing Fund may be used to support expenses related to housing where the Act does not currently allow the expenditure. Both the Chapter 34 Housing Fund and Southold CHF may be used to support an individual project if the project meets the criteria of both funding sources. The funds raised through the Act's real estate transfer fee will be managed separately from the Chapter 34 Housing Fund via a distinctly unique account for tracking, bookkeeping and auditing purposes.

## 2.4 Southold Town Housing Advisory Commission

In conjunction with the establishment of the Housing Fund in Chapter 34 of Town Code, the Southold Town Housing Advisory Commission (HAC) was established to review and make recommendations regarding the Fund.<sup>7</sup> The HAC is comprised of nine volunteer community members that meet once a month. The primary functions of the HAC are to:

- (1) *Ensure that an efficient, cost-effective, and expedient production of affordable housing is created and maintained.*
- (2) *Serve as a liaison for community members within their respective hamlets/villages regarding affordable housing.*
- (3) *Identify appropriate sites for the development of affordable housing within respective hamlets/villages.*
- (4) *Approve capital improvement requests from residents living in housing units.*
- (5) *Make recommendations to the Town Board relating to affordable housing.*

In 2023, the Town Board increased the number of HAC members from 7 to 9.

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<sup>7</sup> For further information on the HAC and upcoming meetings please visit the Town Website.



Chapter 34 also identifies a role for the Town's Government Liaison Officer to assist the HAC with administrative tasks such as scheduling meetings, and transcribing minutes. Together with the Town Board, the HAC assists with the implementation of the Town's housing goals, which will include this Plan once adopted.

## 2.5 Town of Southold Chapter 34 Affordable Housing Registry

The HAC keeps a current registry of people who would like to be informed of available affordable housing in order to help match people with housing. To be eligible for the Town's housing registry, the total household income cannot exceed 120% of the median income for Nassau-Suffolk Counties. These numbers are reviewed and adopted on an annual basis by the Town Board.<sup>8</sup>

The Town manages  
an Affordable  
Housing Registry  
for eligible  
individuals.

There is a defined need to continue outreach for greater clarity on who qualifies for the Registry and to increase awareness for all eligible demographics. The outreach effort should be a component of the Town's housing program as this Plan is implemented, and should include materials in multiple languages as needed. Individuals who would like to be on the Affordable Housing Registry can complete a form on the Town's website<sup>9</sup> or individuals without computer access may visit the Southold Town Clerk Office to sign up. The form asks for contact information, household income, number of people, veteran/volunteer status, the desired type of housing (rental or home ownership), and other details.

As of the date of this Plan, the Affordable Housing Registry includes approximately 475 people (with an additional 50 names currently being added). Because the income requirements set yearly by the Town Board for inclusion on the Housing Registry varies from the eligibility requirements defined in the Act, a separate Community Housing registry list may be required.

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<sup>8</sup> See Appendix D for most recent amounts.

<sup>9</sup> <http://southoldtownny.gov/FormCenter/Housing-Advisory-Commission-12/Preliminary-Housing-Application-53>





### 3.0 HOUSING NEEDS ASSESSMENT

The purpose of this Housing Needs Assessment is to analyze the need for community housing in the Town of Southold based on available data, community input, and a review of the Town's Comprehensive Plan. It includes an analysis of demographic trends throughout the Town and an evaluation of evolving housing needs as patterns in population, income, and housing costs change over time.

More specifically, this Housing Needs Assessment studies census demographic trends observed in 2000, 2010, and 2020, provides a housing affordability gap analysis and an analysis of households that are "cost-burdened". To capture current housing needs, a Town Community Housing Survey (CHS) was developed utilizing ESRI's Survey123 software to obtain input from the public. For an overview of all sources, see **Appendix E**.

#### 3.1 Community Housing Survey (CHS)

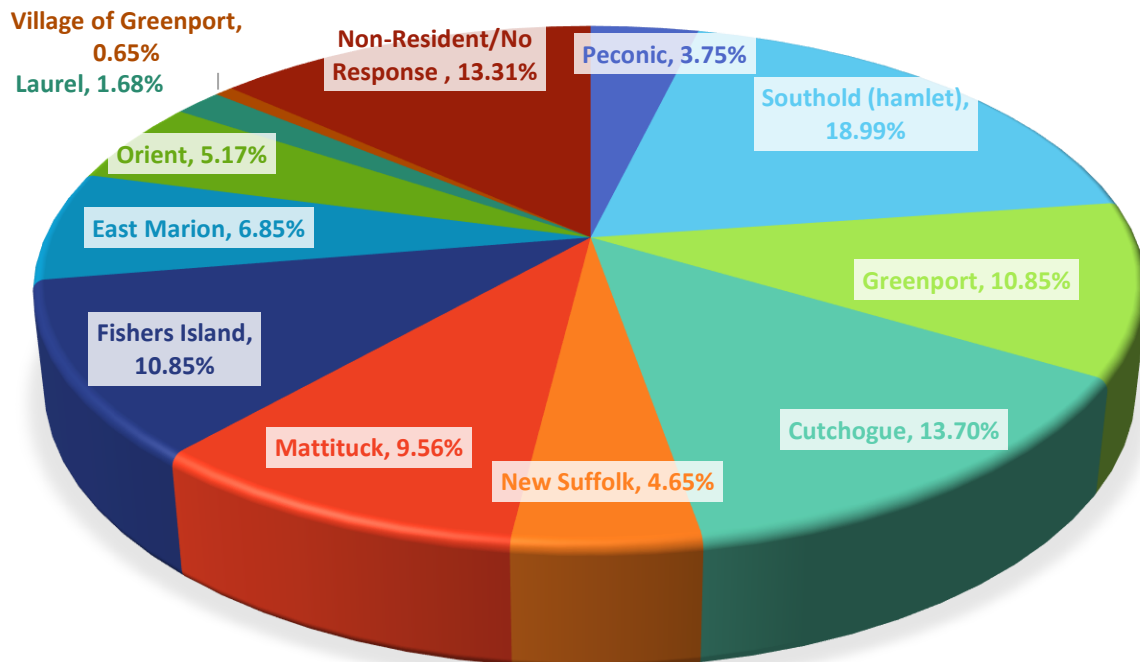
The CHS was launched in October 2022 and as of February 28, 2023, over 750 responses were submitted. Survey responses were received from residents of every hamlet and the Village of Greenport, as shown in **Graph 3-1**. It is noted that the geographic distribution of survey respondents is not consistent with the populations of each hamlet. In future iterations of the CHS, efforts should be made to receive feedback from as many residents as possible throughout all hamlets and the Village of Greenport.

Nearly half of the survey respondents (47.6%) were seniors aged 65 years old or older which is higher than the percentage of local residents in this age range (which is 31.5%, based on 2021 5-Year American Community Survey Estimates). It is anticipated that different age ranges will have different housing needs and therefore, it is recommended that future survey outreach be targeted to receive input from a variety of age ranges. For example, it is recommended that future surveys include additional outreach to public schools, major employers, chamber of congress, and local businesses.

Many important insights were learned from the CHS and incorporated throughout this Housing Plan where appropriate. It is recommended that a similar housing survey be conducted on an annual basis to continue to receive input from the public as the recommendations of the Town's Housing Plan are implemented and as housing needs evolve over time.



Graph 3.1: Survey Respondents by Hamlet of Residence



### 3.2 Who lives in Southold Town/Village of Greenport?<sup>10</sup>

#### 3.2.1 Population Varies by Hamlet

The total year-round population in Southold steadily increased during the 20-year period analyzed. In 2020, the total population was 23,732.<sup>11</sup> However, population changes varied by hamlet, Fisher Island saw a 47% *increase* from 2000 to 2020, while Peconic saw a 36% *decrease* in population over the same period (**Table 3.1**). These differences may point toward consideration for a new Hamlet Study, and potentially a more targeted analysis of the seasonal population.

<sup>10</sup> See Appendix F for a full demographic and economic profile, including additional graphs and tables.

<sup>11</sup> Although it is well-known that Southold is a popular destination for tourists (particularly in the summer months) and contains a significant seasonal population, as discussed in the Comprehensive Plan, “there are no readily available demographics to help us understand the composition of the seasonal population.” While it would be helpful to understand more about the seasonal population of Southold, the intent of this Housing Plan is to focus primarily on the year-round population of Southold and their housing needs and a more detailed and targeted analysis involving substantial outreach to the seasonal population would be required to understand the demographics.



Table 3-1 Southold Population by Hamlet				
Hamlet	2000 Population	2010 Population	2020 Population	2000-2020 % Change
Cutchogue	2,849	3,349	3,437	21%
East Marion	756	926	1,048	39%
Fishers Island	289	236	424	47%
Greenport (Village)	2,048	2,197	2,058	0%
Laurel	1,188	1,394	1,495	26%
Mattituck	4,198	4,219	4,322	3%
New Suffolk	337	349	403	20%
Orient	709	743	999	41%
Peconic	1,081	583	692	-36%
West Greenport (Hamlet)	1,579	2,124	2,190	39%
Southold (Hamlet)	5,465	5,478	6,040	11%

Source: 2000, 2010 & 2020 Census Data

### 3.2.2 Growing Number of Senior Citizens

The population of young people (under 20) has declined in the past twenty years from over 23% down to only 15% of the total year-round population.<sup>12</sup> Simultaneously, the senior population (over 60 years old) has increased significantly from 28.7% in 2000 to more than 42.6% of the total year-round population in 2021. The over-60 population is the only age group in the Town that has increased consistently over the past several decades. As the median age increases, new housing and economic challenges will likely emerge across the Town/Village for low to middle-income populations.

Seniors (ages 60+) account for over 42.6% of the total year-round population in 2021.

The most common response in the CHS was related to the need for housing opportunities for young people and families, with nearly 50 write-in comments related to this topic. The younger generation in Southold is not staying in Town, which is partly due to a lack of affordable housing available for those who are trying to establish careers and/or start families.

<sup>12</sup> This age analysis focused on the percent distribution for each age group, rather than the actual population counts to better observe trends in age distribution.



The Southold Town Comprehensive Plan identifies this problem and discusses the impacts of a “brain drain” migration where recent college graduates and young professionals are moving outside of Town. It notes the importance of having a diverse population and variety of housing types to sustain a strong economy and community.

### **3.2.3 Increase in Economically Disadvantaged Students<sup>13</sup>**

The Town of Southold is home to six school districts, which are: Fishers Island Union Free School District (UFSD), Greenport UFSD, Mattituck-Cutchogue UFSD, New Suffolk Common School District, Oysterponds UFSD, and Southold UFSD. Analyzing enrollment data observed in the Southold school districts supports the trend that the younger population is declining in the Town. The number of children enrolled has been steadily declining, with a marked decrease of 13% from the 2011-2012 school year to 2020-2021.

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While the total number of students has declined, the number of economically disadvantaged students has nearly doubled.

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While the total number of students has declined, the number of economically disadvantaged students has nearly doubled, increasing from 22% in 2012-2013 up to 41% in 2020-2021. When viewing each school district individually, disparity among the districts becomes very clear. Half of the school districts have no economically disadvantaged students at all. Southold UFSD and Mattituck-Cutchogue have roughly a third of students that fit this category, but Greenport tops the list with 75% of the student population qualifying as economically disadvantaged. There is a need for safe, adequate, and affordable housing for these students and their families.

### **3.2.4 Increase in Hispanic/Latino Population**

Area residents who identify as Hispanic/Latino have continually increased in recent decades. In 2020, about 15% or 3,610 of Town residents currently identify as Hispanic/Latino. From 2010 to 2020 there was a 51.6% increase in Hispanic/Latino residents. This trend mirrors population growth at the state and national level as Hispanic/Latinos constitute the largest racial/ethnic minority in the United States. This growing population includes many essential members of the workforce supporting Southold Town’s tourism, hospitality, and agriculture industries. Hispanic/Latinos are a very diverse population and a closer analysis of this subgroup is recommended for future needs assessments.

From 2010 to 2020 there was a 51.6% increase in Hispanic/Latino residents.

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<sup>13</sup> Economically disadvantaged students participate in economic assistance programs, such as free or reduced-price lunches, social security insurance, food stamps, and other similar programs.



### 3.2.5 Median Income

The household median income in the Town has increased significantly in the past 20 years from \$49,898 in 2000 to an estimated \$87,109 in 2020. However, inequalities come to light when considering the median income of each unique hamlet. In fact, over time, income disparities across the Town/Village have increased, as shown in Appendix F, Table 3-9. For example, between 2000 to 2020 the median income for Laurel more than doubled, increasing by 114%, while Greenport West grew by only 50% up to \$66,202 (which still remains far below the median income of the whole Town).

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Household median income in the Town has increased from \$49,898 in 2000 to an estimated \$87,109 in 2020.

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### 3.2.6 Local Workforce

Only 50.4% of the workforce live in the Town of Southold. The rest come from a variety of places, with the most traveling from Brookhaven (1,010 people), Riverhead (752 people), and Southampton (403) towns. While not all these workers would wish to live in the Town of Southold, it is expected that many would consider a move if feasible to avoid a lengthy commute from nearby townships.

49.6% of the  
Town's  
workforce  
commutes.





### **3.2.7 Common Themes of Community Housing Survey Respondents**

The CHS included opportunities for open-ended responses, many of these comments considered not just the housing needs of the individual respondent, but also the needs of the respondent's family, friends, and the broader community. The common themes are summarized below:

- Business owners described the difficulties their employees have in attempting to secure housing.
- The senior population in Southold is growing and therefore numerous housing solutions will be needed to serve this population.
  - Some seniors are interested in downsizing but are unable to find somewhere else to move in the Town.
  - Some seniors discussed the needs of their adult children and how accessory dwelling units could help solve their housing problems. Accessory dwelling units could provide an opportunity for adult children to reside with their parents on the same property while maintaining their own separate dwelling space. Alternatively, some seniors expressed interest in residing in the ADU so they can rent the main house to a larger family.
- Over 20% of respondents (177 people) reported that they would be interested in developing an ADU on their property.
- Younger residents described their situation as living with family members and delaying starting families until they can secure a place of their own. Many people are unable to find traditional “starter homes” in the Town, resulting in young adults and families searching outside of the Town for housing opportunities.
- Renters discussed their struggles with being able to secure year-round rentals; and some noted existing rentals are not always properly maintained.
- Consistently, respondents discussed how expensive housing has become throughout the Town. Many respondents voiced their own needs for more affordable housing, and even those who have housing expressed sympathy for the drastic increases in home prices for people trying to purchase homes in recent years.
- Many respondents brought up concerns on the impacts of seasonal housing and short-term rentals.
- Potential concerns raised include how community housing initiatives are planned and integrated into the Town/Village are related to density, community character, and environmental quality.
- The second most common response in the Community Housing Survey, when asked about any housing concerns, was regarding the struggle facing employees of local businesses, teachers, healthcare workers, and volunteer emergency services providers when trying to secure and afford housing in the Town/Village.



### 3.3 What is housing like in Southold Town/Village of Greenport?<sup>14</sup>

#### 3.3.1 Vacant/Seasonal Homes

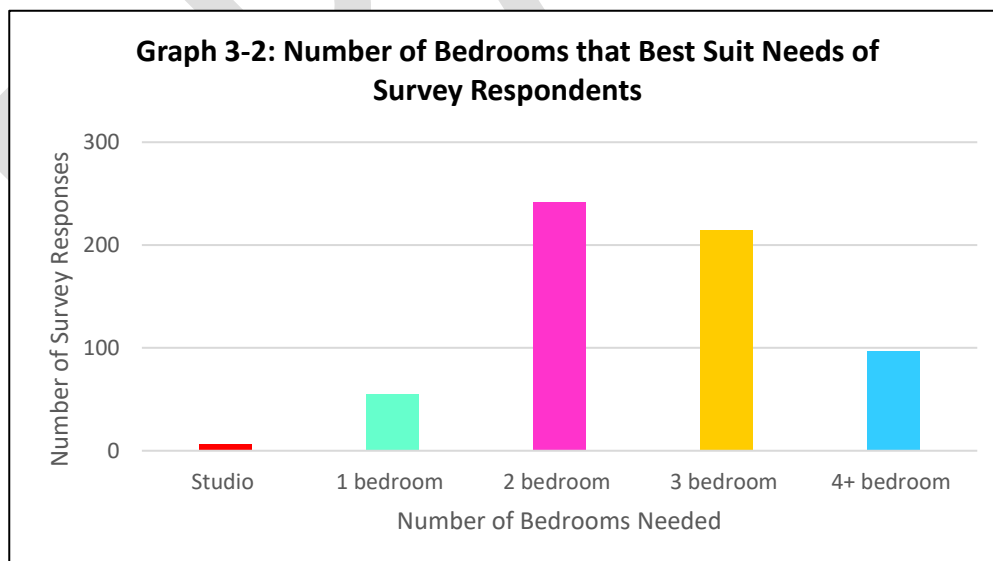
As of 2020, there are 16,298 total housing units in Southold Town; however, 41% of these units are vacant. Most housing units classified as “vacant” by the Census Bureau are seasonal residences which comprise the majority of vacant housing stock in Southold, with the remaining vacant homes being unoccupied or currently being offered for sale. This means there are roughly 6,000 housing units that are vacant most of the year.

#### 3.3.2 Housing Stock

It is estimated that between 89% and 90% of the homes in Southold are single-family detached homes. This trend has stayed consistent for the 20 years analyzed and likely much longer. Survey results show that respondents are interested in seeing more housing diversity across the Town and Village.

89%-90% of  
homes are Single  
Family -Detached  
Dwellings in Town

Census data indicates that the housing stock in Southold contains a variety of sized units in terms of the number of bedrooms. Over the 20-year time period analyzed, housing units with three bedrooms were the most common. The Community Housing Survey asked respondents how many bedrooms would best suit their housing needs. As shown in **Graph 3-2**, the vast majority of respondents are interested in housing units with two or more bedrooms.



<sup>14</sup> See Appendix G for a full housing stock profile, including additional graphs and tables.

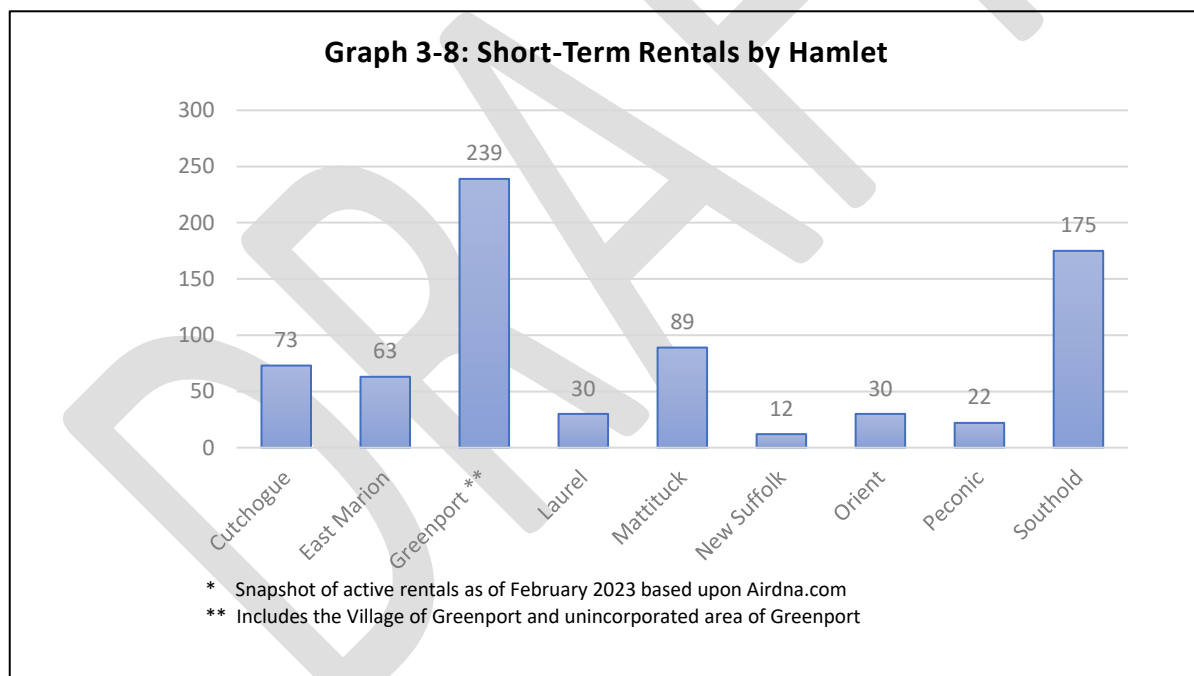


### 3.3.3 Short-Term Rentals

The Southold Town Code defines a *transient rental property*, otherwise known as short-term rentals as, “a dwelling unit which is occupied for habitation as a residence by persons, other than the owner or a family member of the owner, and for which rent is received by the owner, directly or indirectly, in exchange for such residential occupation for a period of less than 14 nights.” Transient rentals are prohibited in all of the Town’s zoning districts except for Fishers Island. These types of dwellings are usually offered for lease on short-term rental websites, such as Airbnb, HomeAway, VRBO, and the like which have facilitated the rental of properties by both individual property owners and corporations.

There were over 730 active short-term rentals in the Town/Village in February 2023.

As shown in **Graph 3-3**, according to data obtained through airdna.co, there were over 730 active short-term rentals in Town in the month of February 2023, which accounts for nearly 4.5% of the Town’s total housing units.



As stated by the Municipal Research and Services Center<sup>15</sup>, “While not the primary cause of affordable housing problems, many experts believe that STRs do have a negative impact on

<sup>15</sup> <https://mrsc.org/stay-informed/mrsc-insight/december-2021/affordable-housing-and-the-impact-of-short-term-re>



affordable housing at the local level, especially in high-tourism communities. Several organizations, such as The Pew Charitable Trusts and the Harvard Business Review (HBR), have conducted or published research showing that as the number of short-term rentals increase in a community, the quantity of affordable housing units decrease.”

Simple analysis will showcase that any housing unit that was previously occupied by a Town resident, but is now offered as a STR, is a unit that has been removed from the year-round rental market. It has become increasingly more challenging to find year-round rental options in Southold Town, and the growing number of illegal short-term rentals is an issue that needs to be better understood and addressed.

### **3.3.4 Housing Market**

It’s important for homeowners today to understand the drastic shifts in the housing market for people currently looking to own a home. The median value of owner-occupied homes has been trending upwards over time from \$218,400 in 2000 to \$604,800 in 2020.

The median value of owner-occupied homes varies to some degree across the hamlets but all demonstrate a marked increase, doubling or tripling, and in some instances nearly quadrupling in value over the course of 20 years.

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The median value of owner-occupied home prices increased from \$218,400 in 2000 to \$604,800 in 2020. This represents a 177% percent increase.

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Monthly rental prices have also increased over time. In 2000, rentals were available at a variety of price points, with the majority of renters paying \$500-\$999 a month, by 2020 the majority of renters were paying \$1,500 or more each month. As stated previously, it is challenging to find year-round rentals in Town. Frequently, year-round rentals are found via word of mouth, or by area bulletin boards and the local paper. According to a search of One Key Multiple Listing Service (MLS) in March of 2023, there were 173 rental units listed; yet the majority of these were offered only as monthly rentals for seasonal/vacation homes. These offerings remain off-limits for local residents looking for a year-round rental option.



### 3.3.5 Cost Burdened

According to the results of the CHS, over 63% of respondents know someone who moved outside of Southold due to a lack of housing options. The main reason reported for moving outside of the town was that they could not afford the cost of housing.

Over 63% of CHS respondents know someone who moved outside of Southold due to a lack of housing options.

The US Department of Housing and Urban Development (HUD) defines housing cost burden as the percentage of household income required to pay for rent or ownership costs. A household is considered housing cost burdened if more than 30% of their income is spent on rent or ownership costs. In 2020, it is estimated that 47% of renters and 34% of homeowners were cost-burdened in Southold Town.

### 3.3.6 Affordable Housing

A household earning the Town's median income would fall over \$50,000 short of the Town's median home price.

A homebuyer would need an annual income of approximately \$137,733 to purchase a \$604,800 home (the median 2020 housing value for the Town of Southold).<sup>16</sup> Based on the median income for households in the Town of Southold, most residents would not be able to purchase a home selling at the current median housing value. In fact, a household earning the Town's median income would fall \$50,624 short of the median home price. Further, as previously mentioned, there are very few properties listed for, or below, the median home price. As of the writing of this Plan, the Town of Southold and Village of Greenport have existing affordable housing stock. To date, there are an estimated 329<sup>17</sup> housing units for rent/sale that can be classified as affordable.

[Note: For further details on the Housing Needs Assessment Standard Process see [Appendix H](#).]

<sup>16</sup> The affordability calculation, for the purposes of this needs assessment, assumed a standard mortgage with the current interest rate for a 30-year, fixed-rate mortgage of 6.5%. The underwriting also assumes a 5% down payment and a housing debt-to-income ratio of 36%, which is the maximum allowed under a standard Fannie Mae mortgage. For purposes of this analysis, the yearly tax bill of \$6,000 was applied, since there is not a standard tax rate throughout the town. Note that this calculation does not consider closing costs or private mortgage insurance.

<sup>17</sup> This number uses available data as of the writing of this Plan, and includes: 175 rentals and Section 8 managed by North Fork Housing Alliance; 78 vouchers funded through the Housing Authority via HUD and 4 additional community development affordable units that Greenport Village manages; 50 units at Vineyard View; and 22 units at the Cottages at Mattituck.



## 4.0 RECOMMENDED COMMUNITY HOUSING EXPENDITURES

The Town of Southold and Village of Greenport are home to many distinctive communities. The Community Housing Fund (CHF) allows for flexibility in the use of fund expenditures to implement housing initiatives that are appropriate for each community's unique characteristics. The following are the recommended focus areas for community housing expenditures:

- Increasing the inventory of year-round community housing (both rental and ownership)
- Maintaining and supporting existing community housing
- Increasing homeownership opportunities for eligible individuals
- Housing education and counseling services

Several recommended grant and loan programs have been identified for inclusion in this Plan for consideration by the Town Board. The details of the programs (such as, funding amounts, terms of funding agreements, specific eligibility requirements, and application processes) presented in this Section will require further development following adoption of this Plan, and each will require adoption by the Town Board prior to authorizing fund expenditures. The following include suggested dollar amounts and repayment terms for initial consideration for the recommended expenditures. While a main focus of the Plan is related to the new Community Housing Fund, this section also highlights other funding sources that can support the implementation of these goals and the need to consider the specific requirements where various sources of funding are applied.

The consensus amongst Community Housing Advisory Board members is that an essential component in achieving the goals of this plan will be through establishment of a comprehensive housing program, through creation of a new department, that has adequate resources to develop, manage, and administer the grant/loan programs, in addition to ongoing education and outreach.

The following subsections provide a menu of recommended options for Southold CHF expenditures. A summary table is provided in **Section 4.5**. The descriptions focus on identifying the intent and initial considerations for each program area and outlines elements which need to be further refined for adoption by the Town Board.

### 4.1 Goal One: Increasing the Inventory of Community Housing

Incentivizing the construction of new community housing units for purchase and lease is a priority of this Plan. The increasing land and construction costs, coupled with lengthy design and approval processes, and a limited amount of vacant land all exacerbate the challenges in providing additional community housing units. These challenges are faced not only by developers seeking





to construct multifamily residential projects, but also homeowners seeking to construct accessory dwelling units on their properties.

It is strongly recommended that the Town Board establish a clear metric for measuring the increase of attainable housing units, per hamlet over time. This metric should be established in Year One and reviewed annually. One possible suggestion for establishing a metric could be to consider a ratio, first determine a baseline of existing affordable/community housing units and divide that by the total of all existing housing units. For example, currently that metric would create a baseline that 1.93%<sup>18</sup> of all housing is “attainable”. Then, using that baseline, a goal could be to increase the percentage up to 3% by the end of the first five years, adding approximately 175 new housing units.

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The Village of Greenport, in coordination with the Town, is looking for a viable pathway to create more units in the Village.

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It is recommended that the CHF provide assistance through low-interest loans for the construction of multifamily housing projects, or to facilitate the construction of accessory dwelling units. It should be noted that the intent should allow for CHF loans to be used in coordination with other opportunities. Any projects utilizing other funding sources would need to comply with the specific income eligibility requirements and purchase price or rental rate limits set by those programs. Interest rates and terms for the proposed low-interest loans have yet to be determined.

The following low-interest loan types to support the construction of new community housing units are recommended for consideration and adoption during the first five years of implementation. There are two example programs for consideration:

1. Low-Interest Loans for Construction of Community Housing
2. Accessory Apartment Low-Interest Loans

#### **4.1.1 Low-Interest Loans for Construction of Community Housing**

It is recommended that the Town Board consider implementing a short-term low-interest loan program to housing organizations, not for profit entities, and developers to support the creation

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<sup>18</sup> This takes a rough estimate of 315 affordable housing units (from Town of Southold, Village of Greenport, and North Fork Housing Alliance) and divides it by the total housing units of 16,298.



of new community housing projects. It is recommended that the application include a cost benefit analysis (balancing the funding requested with the number of community housing units and public investment created).

This Plan suggests up to \$250,000 as an initial amount for consideration depending upon fund availability and the respective cost benefit analysis in increasing the number of community housing units that are achieved through the loan.

In order to qualify for this low-interest loan, an applicant must be an established housing organization, not for profit organization dedicated to providing attainable housing, or housing developer approved by the Town Board (via recommendation of the AHRC and HAC, including at least one representative from the Village of Greenport).

The funding sources used for a project will determine the income eligibility requirements for tenants or purchasers as well as rental rate or purchase price limits. For example, eligibility requirements differ for grants or loans provided through the Chapter 34 Housing Fund versus the Chapter 17 Community Housing Fund; however, if both sources are used for a project, the minimum income requirements of the two programs should apply.

Recommended eligible expenses include, but are not limited to, the following for consideration in development of the program details:

- Construction and other hard costs (“brick and mortar” costs) related to:
  - the conversion or construction of new tenant-occupied multi-family/multi-unit projects.
  - the conversion or construction of new owner-occupied multi-family/multi-unit projects.
- Other eligible expenditures permitted by the Act including land acquisition, planning, engineering, and other hard and soft costs directly related to the construction or rehabilitation of community housing.

Recommended terms of this low-interest loan that the Town Board may wish to consider include:

- Consider application of loan rates and terms utilized by SONYMA when establishing a low-interest rate.
- Financial assistance should not exceed fifty percent of the development cost.
- All loans are to be paid back over time to the CHF (or Housing Fund if used).
- Any loan shall be fully repaid by the recipient upon transfer of the project to another entity or sale of the property.
- Signed agreements related to developer profit standards (where required).



- Long term agreements related to sales prices and maximum rents (dependent upon funding sources).

#### **4.1.2 Accessory Apartment Low-Interest Loans**

It is recommended that the Town Board consider implementing a program to award low-interest loans to property owners that wish to construct an accessory apartment, also known as Accessory Dwelling Units or ADU's, on their property designed specifically toward increasing the stock of year-round accessory apartments and year-round rental opportunities in the Town and Village.

It is important that the funds and housing units created through this loan opportunity be rented to households meeting the income eligibility requirements and rental rate limits established by the Town Board. It is recommended that the Town set eligibility requirements to qualify for a low-interest loan and consider the long-term elements and possible future scenarios (such as discontinuance of use of the apartment for community housing, sale of the property, or failure to register as required under Chapter 207: *Rental Permits* of Town Code).

Recommended eligible expenses include hard and soft costs related to conversion or construction of accessory apartments on a property where such an improvement is permitted by Town Code.

It is also recommended that the following terms be considered in development of this program, including but not limited to:

- Any accessory units supported through funds provided by the Town must be rented according to the maximum rent limits established by the Town Board and that tenants meet the requirements of the Chapter 17 and 34 Housing Registries
- An applicant must be a homeowner in the Town seeking to construct an accessory apartment on their private property for rent to eligible individuals meeting the applicable requirements of the Town Code for occupancy.
- Conform to the requirements of Chapter 280 Zoning of the Southold Town Code for an Accessory Apartment including an annual rental permit and requirement that apartments created with the funds be rented on a year-round basis.
- Financial assistance does not exceed fifty percent of the development cost.
- Must be paid back over time with amortized schedule to the fund.
- Any loan shall be fully repaid by the recipient upon transfer or sale of the property/unit – or upon the failure of the recipient to complete the project within a reasonable time (to be determined), receive a Certificate of Occupancy, and obtain a rental permit.
- Identification of appropriate requirements for covenants to be filed and recorded with the Suffolk County Clerk as deed restrictions.



- Prior to approval of the proposed apartment require the Suffolk County Department of Health Services approval.

#### **4.2 Goal Two: Maintaining and Supporting Existing Community Housing**

There are existing organizations within the Town of Southold and Village of Greenport that assist residents with their housing needs. These organizations are an important component of increasing housing options for local residents. Over time, community housing units require investment to protect the health and safety of residents, while also ensuring operational efficiency and Town code compliance. It is recommended that the Town Board consider appropriating CHF monies to help support these organizations through maintenance grants.

It is recommended that the Town Board consider implementing a grant program designated specifically for the maintenance of community housing for rental to eligible individuals either by a Town Housing department or office, housing organization, or through a public/private partnership. As a grant, it would not need to be paid back as it can be considered part of the investment needed for maintaining safe, healthy, efficient, and stable community housing. Applications would be reviewed in consideration of a cost benefit analysis (funding requested in comparison with the number of community housing units that are maintained by the funds).

The recommended eligible applicants include housing organizations and not-for-profits that currently provide rental housing to community members.

The recommended eligible expenses include maintenance and improvements which may result in sustainable cost reduction in the operation of community housing and/or relate to improving the health and safety of residents. For example, funding can be made available to support essential structural maintenance (roofing, plumbing, energy), and upgrades related to reducing carbon footprint (installation of renewable energy production), increasing energy efficiency (including offsetting costs for replacement with Energy Star appliances).

Recommended terms of this grant that the Town Board may wish to consider include:

- Entity must demonstrate their capability of administering funds.
- Partner agrees to comply with the profit guidelines and rental limits of the Town of Southold.



### 4.3 Goal Three: Increasing Homeownership Opportunities

Helping eligible individuals purchase homes in the Town of Southold for year-round occupancy is a priority of this Plan, and the Community Housing Fund can aid in the form of low-interest or interest-free loans, or a combination for down payments. It is recognized that the price of available housing stock for sale is currently too high to make homeownership a reality for many individuals. However, when those opportunities do arise the recommended following loans can overcome the initial cost barriers to homeownership.

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An eligible expenditure of the CHF is financial assistance for purchase of a home by a first-time homebuyer who is a resident of the Town or is employed in the Town. As defined by the Act, a resident is a person that is currently a resident of the Town, including a person who is a non-resident who has been a resident of the Town within the past five years.

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There are several terms for the provision of such financial assistance which are provided below and will need to be incorporated into the individual program details following adoption by the Town Board:

- Any loan shall be repayable to the Town pursuant to the terms agreed to between the recipient and the Town, provided that loan shall be fully repaid by the recipient upon the resale of the home.
- For the purposes of calculating Town tax liability for such property, only, the dollar amount of any financial assistance for the purchase of a first home made by the Town pursuant to this section shall be subtracted from the full equalized assessed value of such property.
- All revenues received by the Town from the repayment of a loan shall be deposited in the fund.

An important consideration in development of the program is that where funds are offered, an assessment of affordability be conducted to ensure that individuals will not become cost burdened by the purchase. Thus, part of the application evaluation process should be validation of sufficient income to afford the costs of homeownership, including mortgage and other loan payments, over time.

It is recommended that an appropriate loan amount cap be established under the program to allow equal distribution opportunity and greater dispersal in funding to first-time homebuyers.



Where feasible, this funding can be utilized in coordination with other sources (See **Section 4.3.4**). However, eligibility for other funding should not be a restriction to receiving funding through the CHF.

In addition to setting a cap for the individual funding program, it is recommended that the specific amount of loans be determined based upon the household's ability to afford the home. Specifically, the quantity of the funds provided should be determined based upon a number of variables, such as the purchase price of the home, savings available for downpayment, current mortgage rate, other closing costs and taxes<sup>19</sup>, and consideration of other secured funding. In addition, it is recommended that the Town require that the applicant show a commitment to homeownership in the form of savings to accommodate at least a small percentage of the purchase price for a downpayment, and demonstrate completion of a First-Time Homebuyer's Course. This maximum price should be based upon the maximum mortgage that would be affordable to the individual or household provided they meet the income limits of the Act.<sup>20</sup>

As noted, following adoption of the Plan, initial implementation will require detailed development of each program, including, but not limited to identifying the following:

- a. Eligible individuals and households for the specific program;
- b. Maximum amounts for loans;
- c. Application requirements;
- d. Terms of financial assistance and associated legal agreements;
- e. Deed restrictions to be recorded with the County Clerk regarding requirements for year-round occupancy, obligations for repayment upon sale or transfer of property;
- f. Maximum percentage of the price of the home;
- g. Repayment schedules and interest rates and provisions for repayment;
- h. If permitted by law, institute property tax credits to first time homebuyers that increase to the normal rate over a 10-year period;
- i. Comprehensive list of requirements for applicants including, for example, completion of the required Mortgage Counseling program provided by a HUD authorized counseling provider and signed certificate of completion.

The following low-interest loans to support home ownership are recommended for consideration.

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<sup>19</sup> Note: First-time home buyers may be eligible for an exemption from payment of the CPF and CHF transfer tax up to a certain housing cost. At the time of preparation of this plan, only homes below \$483,954 are exempt from payment of the transfer fees.

<sup>20</sup> Currently \$174,360 for a 1–2-person household and \$203,420 for a 3+ person household.





#### **4.3.1 First-Time Homebuyers' Low-Interest Loan**

It is recommended that the Town Board adopt a program that offers low-interest loans for purchase of a home in the Town to eligible first-time home buyers as defined in **Appendix A**. In addition to meeting the income eligibility and purchase price limits established by the Community Housing Fund, the Act specifies that funding should be provided to first-time homebuyers who are residents of the Town or employed in the Town. A resident of the Town includes a person who is currently a resident of the Town or a non-resident who has been a resident within the past five years (i.e., returning college students).

The intent of the low-interest loan program is to offset downpayment costs that present an obstacle for first-time home buyers. The loans would be required to be paid back to the CHF and therefore continue to replenish the Fund. It is recommended that the amount awarded be dependent on the cost of the dwelling, monthly costs, closing costs, and other monies committed to the project.

Recommended terms of this low-interest loan for consideration by the Town Board in development of the program are as follows:

- Maximum amount of any one loan (suggestion is a cap of \$30,000 per housing unit subject to annual review by the Town Board).
- Consider delaying the first payment on the loan in consideration of the many initial homeownership costs that typically occur in the first years.
- This loan can be stacked with other resources, such as but not limited to those stated in section 4.3.3.

#### **4.3.2 Hero First-Time Homebuyer Interest-Free Loan**

There are several sectors of the population that have been identified of particular significance with respect to housing. These are active U. S. military service people and veterans, health care workers, and emergency service volunteers.<sup>21</sup>

The Town recognizes the public service commitment of residents who are serving or have served in the U.S. military and seeks to encourage these individuals in maintaining residency in the Town. Similarly, health care workers together with emergency service volunteers are essential for the health and safety of the Town's residents and visitors.

Staffing the local emergency services with volunteers has become a significant challenge. These individuals dedicate their time in the interest of community service, and more and more of the volunteers are leaving the area due to the cost and availability of housing. It is therefore

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<sup>21</sup> Please see Southold Town Code for definitions of these categories.



recommended that active military service people and veterans, health care workers, and emergency service volunteers receive additional benefit through the establishment of a Hero Interest-Free Loan Program to support homeownership for these important residents of the Town of Southold population. This loan structure would need to be paid back to the Fund in full upon sale or transfer of the property. This Plan suggests up to a \$15,000 down payment assistance interest-free loan per dwelling as an initial amount for qualifying individuals.

In addition to the general details of the program to be developed as identified in **Section 4.1**, specific criteria for eligibility for Hero Interest-Free Loans will be needed. The following are suggested:

- Emergency service volunteers. It is recommended that volunteers be an enrolled member of an incorporated volunteer fire company, fire department or incorporated voluntary ambulance service in good standing for at least two years.
- Healthcare workers (definition to be defined by the Town Board).
- Active military service people and honorably discharged veterans of the United States.

Additional terms of this interest-free loan opportunity that the Town Board may wish to consider include:

- Requirements for repayment if the recipient no longer qualifies as a volunteer, or member of the medical profession.
- Development of criteria for repayment over time in cases of death and transfer to an immediate family member.

#### **4.3.3 Potentially Available Stacking Loan Programs**

As previously noted, the recommended loan programs presented can be stacked with other financing sources. This Plan recommends that providing information to the public about available funding opportunities and helping residents navigate the various programs should be a component of the housing program to be established by the Town. The following list is not meant to be exhaustive or limiting, it is simply a sampling of other housing-related financial resources currently available at the time of writing. At any time, additional housing-related funding opportunities may be available at the local, county, state, or federal level. Possible additional funding sources include but are not limited to:

##### **Suffolk County First-Time Homebuyer Program (2022)**

Suffolk County First-Time Homebuyer Program offers up to \$14,000 in down payment assistance to first-time homebuyers for eligible households. Households must earn at least \$40,000 but no more than 80% of the AMI as determined by HUD, according to household size (for reference, the current application identifies the current maximums which range from \$81,400 for a 1-person



household to \$153,450 for a household of 8 or more). The assistance is offered in the form of zero- interest deferred loans that are forgiven after five years if the recipient lives in the dwelling for that period. Applications are available in English and Spanish at the Suffolk County website at <https://sdownpayment.com/>.

#### SONYMA ACHIEVING THE DREAM LOAN First-Time Home Buyers' Down Payment Assistance

This loan offered by New York State is a 30-year fixed-rate mortgage with no points available for the purchase of 1-4 family homes, cooperatives and condominiums. Down payment requirements are as low as 3% (and 3% down payment assistance is available). The minimum cash contribution is 1% (3% for co-ops). The grant can be combined with other SONYMA special features, other grants and subsidies with no limit. Information about SONYMA first-time homebuyer assistance is found at: <https://hcr.ny.gov/sonyma-programs>.

#### SONYMA Down Payment Assistance (DPAL) PLUS First-Time Home Buyers

In recognition that one of the biggest obstacles faced by first-time homeowners is saving for down payments and closing costs, the state has developed the Down Payment Assistance Loan (DPAL), program which is available for all buyers using a SONYMA mortgage program. The program is designed to overcome the initial burden of purchasing a first home. The following provides a summary of the current details:

- The loan cannot exceed the actual down payment and/or closing costs.
- Interest rates for first-time mortgages with a DPAL attached will be .375% higher than mortgages without. This higher interest rate does not apply to Graduate to Homeownership, Homes for Veterans, or ENERGY STAR® programs.
- All or a portion of the Down Payment Assistance Loan may be required to be repaid if an individual sells their home or refinances within the first 10 years of purchase.
- The amount subject to possible repayment will decrease by 1/120 per month each month an individual lives in the property.
- In the event the proceeds from the sale of your home are not enough to pay any repayable amount, the shortage will be forgiven.

#### **4.4 Goal Four: Housing Education and Counseling Services**

It is recommended that the Town Board consider implementing a grant program designated specifically for supplementing the operational costs related to providing community housing counseling services within the Town.

The eligible applicants for CHF expenditures are not-for-profit corporations who are authorized by the United States Department of Housing and Urban Development (HUD) to provide housing counseling services. It is recommended that grants be commensurate with the organization's needs to support creation, outreach, and implementation of the housing counseling program.



The eligible expenses would include costs related to the development and provision of housing counseling services.

As a grant, these funds would not need to be paid back to the fund, however, monitoring of the program would be required to demonstrate the benefit of the grant prior to award of successive grants. Proposed terms of this grant that the Town Board may wish to consider include:

- Entity must be financially capable of administering monies.
- Entity is a recognized not-for-profit corporation or organization authorized by HUD.



## 4.5 Summary Table

Table 4-1: Example Grant and Loan Program Structures [Note: The amounts suggested are for consideration by the Town Board.]			
Program	Suggested Maximum Amount	Recommended Purpose	Eligible Applicants
<b>Low-Interest Loans for Construction of Community Housing</b>	\$250,000.00	Provide financial assistance for viable community housing projects and facilitate public/private partnerships.	Housing organizations, not-for-profit entities, and developers approved by the Town Board.
<b>Low-Interest Loans for Creation of Accessory Apartments</b>	Amounts to be determined <sup>2</sup> and cannot exceed fifty percent of the development cost	Increase stock of year-round accessory apartments and year-round rental opportunities in the Town and Village	Applicants who meet or will meet the requirements of Chapters 17, 34, 207 and 280 Zoning of the Southold Town Code and Town established rental limits.
<b>Maintenance Grants</b>	Amounts to be determined <sup>2</sup>	Maintenance of community housing for rental to eligible individuals.	Housing organizations and not -for-profits that currently provide rental housing to community members
<b>First-Time Homebuyer Low-Interest Loan</b>	\$30,000.00	Down payment for first-time home buyers	First-time homebuyers who are residents of the Town or employed in the Town. <sup>1</sup>
<b>Hero First-Time Homebuyer Interest-Free Loan</b>	\$15,000.00	Down payment assistance for first-time home buyers as qualifying individuals.	US military servicepeople, health care workers, and emergency service volunteers
<b>Housing Education &amp; Counseling Services Grants</b>	Amounts to be determined <sup>2</sup>	For supplementing the operational costs related to providing community housing counseling services within the Town.	Not-for-profit organizations who are authorized by the US Department of Housing and Urban Development (HUD).

<sup>1.</sup> Income limits apply to eligible applicants.

<sup>2.</sup> Certified contractor or cost estimates are recommended to be a required submission in eligibility determinations.



## 5.0 COMMUNITY HOUSING PLAN IMPLEMENTATION AND MANAGEMENT

### 5.1 Establish a Housing Department

Implementation of this Plan will require the formation of a comprehensive housing program with dedicated management and adequate staff to work towards achieving the Plan's established goals. This Plan recommends that the Town of Southold establish a dedicated Housing Department<sup>22</sup> to manage, coordinate and facilitate the creation of community housing under the guidance of the Town's Comprehensive Plan, including this Plan. It is recommended that the individual(s) hired for this Department have experience with affordable housing programs and projects. The Peconic Bay Region Community Housing Act does not identify employee salaries as an eligible cost from the funds received through real property transfers therefore, it is recommended that costs related to establishing and staffing a Housing Department be allocated through the Town's annual budget.

Example duties of the Housing Department include, but are not limited to:

1. Establish Housing Program
2. Orchestrate Housing-Related Committee Coordination
3. Administer Housing Registry Lists
4. Oversee Application Process
5. Manage Eligible Person Selection Process
6. Monitor and ensure compliance with Chapters 17 and 34 Funds
7. Facilitate Community Outreach and Education
8. Compile Regular Reports and Yearly Audits
9. Act as a Liaison between applicants and Town Departments (i.e., Planning, Building, etc.)

The following subsections provide general recommendations for the establishment and implementation of a Housing Program.

#### 5.1.1 Housing Program Management

If the Town Board chooses to hire a Housing Program Manager, their role will need to initially include the development of details for the programs outlined in **Section 4**, along with related application and review processes for the Town Board's consideration. In addition, the new Housing Program Manager will need to consider the following functions:

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<sup>22</sup> This Plan recommends the establishment of a Housing Department. While the Town Board may establish a comprehensive housing program through an existing Town Department, for the purpose of this Plan, the phrase "Housing Department" is utilized when discussing the roles and functions of the housing program and related staff for implementing the goals of this Plan.





- Work on implementing a community housing registry list for individuals eligible under the Act (who are not eligible under the Chapter 34 Affordable Housing Registry);
- Develop and implement a multilingual wide-ranging outreach and education program;
- Collaborate with the Housing Advisory Commission, Town Planning Department, Town Attorney, and Town Board on all housing-related matters;
- Provide regular reports to the Town Board along with community updates;
- Ensure fiscal responsibility of the Funds via yearly audits<sup>23</sup>;
- Implement and ensure compliance with Housing Program elements (i.e., eligibility, loan terms, etc.); and
- Coordinate future updates to the Housing Plan.

Suggested recommendations and related details to program implementation are outlined below.

### **5.1.2 Housing Registry List Management**

#### *5.1.2.1 Update Chapter 34 Housing Registry*

As discussed in **Section 2.5**, the Southold Town Housing Advisory Commission currently manages the Affordable Housing Registry, a roster of individuals who need housing and would like to be informed of any available affordable housing opportunities in the Town. It is important that this list and registrants are regularly updated and monitored so that timely notifications can be sent to viable candidates when opportunities arise in Town.

#### *5.1.2.2 Establish a Chapter 17 Community Housing Registry*

The Community Housing Fund establishes income limits that exceed the eligibility requirements for affordable housing as currently defined by the Town Code. Therefore, it is recommended that a new Community Housing Registry list be generated to include individuals and families eligible for community housing created through the CHF.

### **5.1.3 Outreach and Education**

The Housing Department should develop and implement a comprehensive multilingual housing education and outreach program. Implementation should include, but not be limited to:

- Administering an annual housing survey<sup>24</sup>;

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<sup>23</sup> Every municipality in the State of New York is required to file an annual financial report with the State Controller (per Article 3, Section 30 of General Municipal Law). The Town of Southold retains an independent auditor to prepare an annual report of the Town's finances which are filed with the State and posted on the Town's website.

<sup>24</sup> Based on survey results from 2023, there is a goal to increase participation in the housing survey for the future. It is recommended that direct contact be made with school districts (and PTAs), civic organizations, chambers and other business organizations, volunteer service providers, larger employers, and local businesses across the hamlets and Village.



- Developing and distributing public announcements through various media outlets and organizations;
- Establishing a regularly updated website or webpage on housing;
- Conducting educational outreach on the latest programs and finance structures through email blasts and social media; and
- Strengthening collaboration between the Town Board, the Village of Greenport Mayor and Trustees, Town Departments, the public, and other stakeholders, including housing organizations, real estate professionals, large employers, school districts, and volunteer providers.

There are two main target groups for outreach and education efforts: community members who are seeking housing, and people/institutions looking to create housing.

#### *5.1.3.1 Outreach for People Seeking Housing*

Educational outreach will be needed to increase awareness of the Plan as well as to ensure that eligible individuals for community housing (people that live or work in Southold) are aware of the potential for future housing opportunities. As the purpose of the CHF is to make community housing available for year-round residents that live or work in the Town/Village, it will be important to get the word out to individuals that these new options will be on the horizon. This Plan recommends regular community engagement and outreach to ensure that Housing Registry Lists reflect the community's needs, and that individuals can find year-round housing that fits their financial means.

#### *5.1.3.2 Include Multilingual Communications for Housing Registries*

To facilitate better communication with diverse sectors of the Town's population, information about the housing registry options should be publicized in multiple languages on the Town website and available media channels.

#### *5.1.3.2 Outreach for Awareness of Fund Eligible Expenditures*

Educational outreach should be developed regarding the different programs outlined in **Section 4** and their target populations.

### **5.1.4 Develop the Application Procedure for Housing Funds (Chapter 17 & 34)**

#### *5.1.4.1 Consider Developing a Notice of Funding Availability*

A tool that is regularly used in alerting entities of the availability of funds is called a Notice of Funding Availability (NOFA). A NOFA is a notice describing the type of funding available on a competitive basis and provides a contact where an application may be submitted. It is recommended that the Housing Program utilize a NOFA to notify the community (including but



not limited to the public, housing organizations, regional developers, non-profits, etc.) to provide information on the amount of funding available and how to apply.

For example, when the Community Housing Fund reaches an established threshold (e.g., \$500,000), the Town can release a NOFA with details on how to apply. Prior to releasing a NOFA, the Town should develop a clearly defined, fair/equitable, and manageable application process.

#### **5.1.5 Review and Approval Process for Fund Expenditures**

A process will need to be established for the review and approval of Community Housing Fund expenditures. While the Town Board is the ultimate decision-making body, this Plan recommends the following process for consideration:

1. Housing Department proposes that Town Board issue a NOFA.
2. Interested applicants submit an application.
3. Housing Department screens applicants for eligibility (in coordination with Town Attorney).
4. Southold Town Housing Advisory Commission (along with at least one representative from the Village of Greenport) reviews applications, issues pre-approvals if required, and makes recommendations to the Town Board.
5. Town Board reviews recommendations (Note: Exact process to be determined.)
6. Town Board selects who receives funding and refers contract/agreement development to Town Attorney.



## 6.0 ADDITIONAL RECOMMENDATIONS

In addition to consideration and implementation of the grant and loan programs described in **Section 4**, there are also various tasks that are recommended to assist in the overall implementation of this Plan. The tasks were identified through the development of this Plan and through consultation with the Town and CHF Advisory Board. The recommendations include:

1. Petition to increase SONYMA Income Limits
2. Address the Impacts of Short-term Rentals
3. Regularly Update Housing Plan with Community Engagement
4. Consider Code Amendments to Increase Year-round Community Housing
5. Explore Incentives for Increasing Community Housing
6. Develop Best Practices in Housing

### 6.1 Petition to Increase the SONYMA Limit

Currently, the first-time homebuyer exemption from payment of the Community Preservation Fund (CPF) or CHF transfer fee is limited to homes that are within 60% of the purchase price limits defined by the State of New York Mortgage Agency (SONYMA) low interest rate. At the time of this Plan, this figure would mean in order to be exempt from paying the transfer fees a first-time home buyer would need to buy a home in Southold/Greenport for less than \$483,954 (which is 60% of the current SONYMA limit of \$806,950). This purchase price limit was originally set when the CPF was introduced in the 1990s. At that time, Southold Town requested that the exemption limit be lower than other areas because there was concern that the number of first-time exemptions would decrease the impact of the CPF Program. Considering that the median home price is now over \$600,000, it is recommended that the Town seek an increase in this purchase price limit as a way to increase the number of first-time homebuyers that qualify for the exemption.

### 6.2 Address the Impacts of Short-Term Rentals

#### 6.2.1 STR Role in Housing Crisis

As stated previously, short term rentals (STRs), defined in §280-4B of Town of Southold code as a dwelling unit rented for a period of less than 2 weeks, is prohibited in the Town. Similarly, in the Village of Greenport, STRs are limited to a minimum of 2 weeks (unless the dwelling is owner-occupied or there is a long-term tenant). However, as of February 2023 there were over 730<sup>25</sup> STR listings in the Town/Village with the highest density occurring in and around the Village of Greenport. This Plan recognizes that STRs (regardless of legality of the units) are playing a role

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<sup>25</sup> Data collected from airdna.co.



in the housing crisis by reducing housing units available for year-round rentals. Year-round rentals are crucial to meeting community housing goals as they provide lower-priced housing solutions for people in lieu of homeownership.

### **6.2.2 Enforcement and Regulation of STRs**

It is strongly recommended that the STR issue be revisited by the Town and consideration be given to increased enforcement in order to reduce the number of illegal units. In addition, if STRs are ever permitted in the future, which this Plan does not suggest or endorse, the Town should consider establishing tools and regulations to effectively monitor and manage regular enforcement.

Specifically, this Plan recommends that the Town invest in software for STR monitoring and enforcement used in other towns (e.g. Granicus) as it is an efficient, effective and revenue-producing tool to address the impact of short-term rentals on the availability of year-round housing units in Southold Town. In addition, the Town might consider creating regulations including an impact fee for short-term rentals that in turn can be deposited in the CHF for use in supporting year-round community housing.

Another recommendation, if the Town were to permit STRs in the future, is to find ways to lessen the impact on available year-round housing stock by developing a permitting process with a specified number of issues per hamlet per year, or potentially designating area/zones within Town where STRs could be considered. These regulations could streamline enforcement while bringing monies back to the Housing Funds.

## **6.3 Update Housing Plan with Community Involvement**

### **6.3.1 Annual Housing Plan Update**

The Peconic Bay Region Community Housing Act requires an update to the Community Housing Plan every five years. It is recommended that this Plan be revisited on a yearly basis for the first five years to determine whether an interim update to the Plan is required. Interim Plan updates may be appropriate at intervals of less than five years if significant changes to demographic and housing conditions, applicable regulations and laws, land use trends and practices, and other relevant factors are observed in the Town. The update process for the Housing Plan should be like the process involved in the preparation of the present document. In particular, when updating the Plan, it is recommended that a new Housing Survey be issued, that updated census data be evaluated, and that a robust community engagement process be conducted.

### **6.3.2 Hamlet Study Update**

In addition, updates to the hamlet studies (included in the 2020 Comprehensive Plan) should be considered to identify how housing goals can best meet the unique needs of each hamlet. It is



also recommended that the Village of Greenport analyze opportunities for housing in the Village for inclusion in Plan updates.

#### **6.4 Code Amendments to Increase Community Housing**

The Town is in the process of updating the zoning code to implement recommendations of the Comprehensive Plan. This zoning code work should also include:

- an analysis of regulating transient housing (STRs);
- simplifying code related to accessory apartments;
- identifying other ways to increase year-round housing opportunities in the Town; and
- including regulations to encourage new accessory dwelling units where appropriate for the community.

#### **6.5 Explore Incentives for Increased Community Housing for Rent**

Accessory apartments otherwise known as Accessory Dwelling Units (ADUs) can play a large role in increasing community housing throughout the Town and Village. An essential element when increasing the number of ADUs for community housing, is to implement a mechanism to ensure ongoing compliance with affordability guidelines. It is recommended that the Town explore several avenues to encourage the development of ADUs, including but not limited to:

- funding programs available to property owners;
- potential for tax exemptions (and the potential to limit reassessment on property improvements related to the construction of an ADU to provide year-round community housing);and
- research how other municipalities are successfully promoting ADUs.

The current Town code permits accessory apartments. However, there is an opportunity to educate the public on code requirements and the application process. As part of the education and outreach program, it is recommended that the Town develop a guide to ADUs for property owners to identify the requirements, available funds, and steps to receive approval and potential financial support for those seeking to construct an ADU for community housing.

While the number of unregistered apartments in the Town or Village is unknown, it is recognized that these units do exist and that this Plan provides an opportunity to address the issue. It is recommended that the Town consider mechanisms that encourage property owners to bring existing unregistered apartments into compliance with code requirements. The Town and Village could consider implementing a short-term amnesty program (e.g., 6 months) to allow property owners an opportunity to bring existing units up to code and legalize.





## **6.6 Develop Best Practices in Housing**

### **6.6.1 East End Town Collaboration**

The voters of four East End towns passed referendums that allowed the collection of 0.5% transfer tax and the creation of individual Peconic Region Community Housing Funds (the Towns of Southold, Southampton, East Hampton, and Shelter Island). Both the Town of Southampton and the Town of East Hampton have established Housing Departments with success in the development and management of housing projects. The knowledge base of these department leaders would be helpful as the Town of Southold establishes a comprehensive housing program. It is recommended that the Town meet with representatives of the other towns to discuss their programs and identify resources that the Town and Village can learn from.

### **6.6.2 Regional Housing Programs**

The Plan recommends considerations for additional research and collaboration with other municipalities. Many other communities that are similar to Southold/Greenport struggle with year-round housing and they can provide successful community housing models and programs for consideration (i.e., Nantucket, Cape Cod, and Martha's Vineyard). It is recommended that the Town Housing Department compile resources on innovative housing solutions that have achieved success from other locations and identify programs which may be emulated in Southold Town.

### **6.6.3 Encourage Intergenerational Housing**

In consideration of the higher-than-average population of people aged 55 and older in the Town, the Town should consider how intergenerational housing<sup>26</sup>, which provides incentives to provide housing for a mix of older and younger people, can be achieved in the Town as a way of increasing options for residents to age in place, be more engaged in the community, and generally be less isolated.

### **6.6.4 Support Development of Mixed-Income Housing**

This Plan recommends exploring ways to diversify housing types and income levels when creating community housing developments. As stated in the *Suffolk County Planning Commission Guidebook*, "Healthy communities contain a mixture of housing types. Dispersion, integration,

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<sup>26</sup>See articles for more information at <https://seniorhousingnews.com/2021/05/31/how-intergenerational-living-is-shaping-new-senior-housing-models-post-pandemic/>, <https://homeseniors.org/intergenerational-housing>, and <https://www.nytimes.com/2021/09/02/style/housing-elderly-intergenerational-living.html?smid=nytcore-ios-share&referringSource=articleShare>



and equitable distribution should therefore be the foundation of local and regional housing efforts. These policies help to both strengthen communities and prevent segregation and the creation of pockets of poverty.”

One means of addressing mixed-income housing would be to look closely at the maximum sales and rental prices the Town Board establishes each year. These numbers are based off of HUD Area Median Income (AMI) guidelines for Nassau/Suffolk County. The amounts currently listed (as shown in **Appendix D**) refer to families of four earning 80-120% of the AMI. However, it is noted in the Housing Needs Assessment that the number of economically disadvantaged students is increasing, which suggests some local family incomes may fall well below 80% of the AMI. This Plan aims to encourage housing projects that are available to the many working families in Southold Town. Structuring the purchase price and rental amounts to include a table of different price ranges and income levels could be a way forward in establishing housing opportunities for families across the economic spectrum.

#### **6.6.5 Audit Existing Application Processes**

The Town has several application processes to facilitate the creation of affordable/community housing. It is recommended that the involved Board and departments that review, assess, and issue permits meet to develop a streamlined application process. A specific recommendation is to consider a universal accessory apartment application process.

#### **6.6.6 Local Community Land Trust**

Encourage the creation of a local community land trust; a non-profit group that lowers the cost of housing by selling houses without the land. They typically buy the land, develop homes on the land and sell those homes while retaining ownership of the land and assuming the associated costs of the land, thereby lowering the cost of the house. In future updates to the Plan, the Town should evaluate the option available through the Act to utilize CHF in the purchase land for the purpose of creating new community housing.

#### **6.6.7 Zoning and Design Considerations for Community Housing**

Zone and design attainable housing to fit in the Towns’ landscapes and streetscapes with architectural mass that supports the character of each location while minimizing potential environmental impacts. Encourage the adaptive reuse of existing buildings that are underutilized and in locations that are supported by the CHF and this Plan while recognizing the sustainability of certain uses (i.e., religious institutions, retail, banking, etc.) and new opportunities.



## 7.0 APPENDICES



## APPENDIX A: PECONIC BAY REGION COMMUNITY HOUSING FUND

### NEW YORK TOWN LAW: § 64-K PECONIC BAY REGION COMMUNITY HOUSING FUND.

#### 1. Definitions.

As used throughout, the following words and terms shall have the following meanings:

- (a) "PECONIC BAY REGION" - the towns of East Hampton, Riverhead, Shelter Island, Southampton, and Southold.
- (b) "COMMUNITY HOUSING" - a primary residential property for an eligible individual that does not exceed 150% of the purchase price limits established by the state of New York mortgage agency low interest rate loan program in non-target categories<sup>27</sup> for Suffolk County in effect on the contract date for the sale of such property.
- (c) "BOARD" - the advisory board created pursuant to subdivision six of this section.
- (d) "FUND" - the community housing fund authorized pursuant to subdivision two of this section.
- (e) "FIRST-TIME HOMEBUYER" - an eligible individual who has not owned a primary residential property and is not married to a person who has owned a residential property during the three-year period prior to his or her purchase of the primary residential property, and who does not own a vacation or investment home.
- (f) "PRIMARY RESIDENTIAL PROPERTY" - any one- or two-family house, townhouse, or condominium.
- (g) "ELIGIBLE INDIVIDUAL" - a household with an income that does not exceed one hundred percent of the income limits as established by the state of New York mortgage agency low interest rate loan program in non-target categories<sup>28</sup> for Suffolk County in effect on the contract date for the sale of such property.

#### 2. Fund authorized.

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<sup>27</sup> Accepted July 25, 2022 until further notice: Purchase Price Limit for 1-Family New & Existing Non-Target Homes in Suffolk County is \$806,590.

<sup>28</sup> Accepted July 25, 2022 until further notice: Income Limit for a 1-2 Person Household is \$174,360 and for a 3+ Person Household it is \$203,420.

[https://hcr.ny.gov/system/files/documents/2022/07/20220725\\_income\\_pp\\_limits\\_lirp.pdf](https://hcr.ny.gov/system/files/documents/2022/07/20220725_income_pp_limits_lirp.pdf)



The town board of any town in the Peconic Bay region is authorized to establish by local law a community housing fund, pursuant to the provisions of this section. Deposits into the fund may include revenues of the local government from whatever source, including but not limited to:

- (a) all revenues from the supplemental real estate transfer tax authorized by subdivision two of section fourteen hundred forty-nine-bb of the tax law<sup>29</sup>;
- (b) all proceeds from any indebtedness or obligations issued pursuant to the local finance law for community housing opportunity purposes as authorized in subdivision three of this section;
- (c) general fund balances or surpluses;
- (d) any proceeds received by the local government from the sale or rental of community housing produced from revenues of the fund;
- (e) the repayment of any loans issued from proceeds of the fund;
- (f) any gifts of interests in land or funds; and
- (g) any state or federal grants received by the town for providing affordable homes.

### **3. Purposes of the fund.**

The proceeds of the fund established pursuant to subdivision two of this section shall be utilized for the following purposes:

- (a) the provision of financial assistance to first-time homebuyers who are residents of the town for the purchase of a first home. Such financial assistance may be in the form of a grant or a loan.
  - (1) A town may provide financial assistance for the purchase of a first home to a first-time homebuyer who is a resident of the town or who is employed in the town. A resident of the town shall include a person who is currently a resident of the town or a non-resident who has been a resident within the past five years.
  - (2) Such financial assistance shall not exceed fifty percent of the purchase price of the home.
  - (3) If such financial assistance is in the form of a loan, such loan shall be repayable to the town pursuant to the terms agreed to between the recipient and the town, provided that any loan shall be fully repaid by the recipient upon the resale of the home.

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<sup>29</sup> <https://law.justia.com/codes/new-york/2021/tax/article-31-d/1449-bb/>



- (4) For the purposes of calculating town tax liability for such property, only, the dollar amount of any financial assistance for the purchase of a first home made by the town pursuant to this section shall be subtracted from the full equalized assessed value of such property.
- (5) All revenues received by the town from the repayment of a loan shall be deposited in the fund.
- (6) A town may provide financial assistance for community housing in conjunction with a public/private partnership for employer assisted housing.
- (b) the actual production of community housing for sale to eligible individuals by the town;
- (c) the actual production of community housing for sale to eligible individuals in conjunction with a public/private partnership, where the private partner agrees to comply with the profit guidelines of the New York state affordable housing corporation and the provisions of this section;
- (d) the actual production and maintenance of community housing for rental to eligible individuals either by the town or the town housing authority; or in conjunction with a public/private partnership, where the private partner agrees to comply with the profit guidelines of the New York state affordable housing corporation and the provisions of this section;
- (e) the rehabilitation of existing buildings and structures in the town for the purpose of conversion to community housing for sale or rental to eligible individuals;
- (f) the acquisition of interests in real property in existing housing units, which will result in the production of community housing for sale or rental to eligible individuals; and
- (g) the provision of housing counseling services by not-for-profit corporations who are authorized by the United States department of housing and urban development to provide such services.

#### **4. Fund management.**

Interest accrued by monies deposited into the fund shall be credited to the fund. In no event shall monies deposited into the fund be transferred to any other account. Nothing contained in this section shall be construed to prevent the financing in whole or in part, pursuant to the local finance law, of any purpose authorized pursuant to this section. Monies from the fund may be utilized to repay indebtedness or obligations incurred pursuant to the local finance law consistent with effectuating the purposes of this section.

#### **5. Eligible expenses.**

For the purposes of this section, eligible expenses relating to the production of community housing and the rehabilitation of existing buildings and structures under the fund shall include



but not be limited to land acquisition, planning, engineering, construction costs, and other hard and soft costs directly related to the construction, rehabilitation, purchase or rental of housing pursuant to this section. All revenues received by the town from the sale or rental of community homes, or the repayment of loans shall be deposited in the fund.

#### **6. Advisory board established.**

The town board of any town in the Peconic Bay region which has established a community housing fund pursuant to this section shall create an advisory board to review and make recommendations regarding the town's community housing plan required by subdivision seven of this section. Such board shall consist of not less than seven nor more than fifteen legal residents of the municipality who shall serve without compensation. No member of the local legislative body shall serve on the board. The board shall include a representative of: (a) the construction industry; (b) the real estate industry; (c) the banking industry; and three representatives of local housing advocacy or human services organizations. Where a village or villages, located within the town, have elected to participate in the fund, as provided in subdivision seven of this section, the board shall include at least one resident of a participating village or villages. Where an Indian nation is located within the boundaries of a town, the board shall include at least one member from such nation. The board shall act in an advisory capacity to the town board.

#### **7. Adoption of housing plan.**

(a) Before a town in the Peconic Bay region may expend any funds pursuant to this section, the town board shall first adopt a town housing plan which establishes an implementation plan for the provision of community housing opportunities by the fund. Said plan shall be adopted by local law. Such plan shall adhere to the following smart growth principles:

- (1) Public investment. To account for and minimize social, economic, and environmental costs of new development, including infrastructure costs such as transportation, sewers, and wastewater treatment, water, schools, recreation, and loss of open space and agricultural land;
- (2) Development. To encourage development in areas where transportation, water, and sewage infrastructure are available or practical;
- (3) Conservation. To protect, preserve, and enhance the state's resources, including agricultural land, forests, surface waters, groundwater, recreation and open space, scenic areas, and significant historic and archeological sites;
- (4) Coordination. To promote coordination of state and local government decisions and cooperation among communities to work toward the most





efficient, planned and cost-effective delivery of government services by, among other means, facilitating cooperative agreements among adjacent communities, and to coordinate planning to ensure compatibility of one's community development with development of neighboring communities;

- (5) Community design. To strengthen communities through development and redevelopment strategies that include integration of all income and age groups, mixed land uses, and compact development, traditional neighborhood development, planned unit development, open space districts, downtown revitalization, brownfield redevelopment, enhanced beauty in public spaces, and diverse and community housing in close proximity to places of employment, recreation, and commercial development;
  - (6) Transportation. To provide transportation choices, including increasing public transit and alternative modes of transportation, in order to reduce automobile dependency, traffic congestion, and automobile pollution;
  - (7) Consistency. To ensure predictability in building and land use codes; and
  - (8) Community collaboration. To provide for and encourage local governments to develop, through a collaborative community-based effort, smart growth plans that include long term land use and permit predictability and coordination, efficient decision making and planning implementation.
- (b) Such plan may include the establishment of a map or maps that delineate the housing implementation recommendations proposed by the town.
  - (c) Such plan shall be updated at least once every five years.
  - (d) The town housing plan shall be an element of the town's comprehensive plan.
  - (e) Such plan shall ensure that all community housing created pursuant to this section remains affordable. Subsequent purchasers of such community housing shall have at the time of purchase, pursuant to the definition "eligible individual", an income that does not exceed one hundred percent of the income limits as established by the state of New York mortgage agency low interest rate loan program in non-target categories for Suffolk County.
  - (f) Such plan shall provide for the equitable distribution of community housing opportunities among all the communities of the town. The plan shall ensure that no community has an undue concentration of community housing opportunities that would substantially alter the character of the community. In determining equitable distribution of community housing opportunities, existing community housing opportunities in a community shall be considered.



**8. Village participation.**

- (a) The participation of any village in the production of community housing authorized by this section shall be at the option of the village. In order to participate, a village shall pass a resolution opting into the program and shall submit said resolution to the town board.
- (b) Where a village opts to participate pursuant to this subdivision, an intergovernmental agreement shall be executed pursuant to article five-G of the general municipal law<sup>30</sup> or other applicable legal authority, in order to establish the rights and responsibilities of each government regarding community housing opportunities.
- (c) Regardless of whether a village participates in the program authorized by this section, properties in the village shall be subject to the supplemental real estate transfer tax authorized by subdivision two of section fourteen hundred forty-nine-bb of the tax law.

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<sup>30</sup> <https://www.nysenate.gov/legislation/laws/GMU/A5-G>



## APPENDIX B: 2020 TOWN COMPREHENSIVE PLAN

This Community Housing Plan seeks to be consistent with and further the goals of the Southold Town Comprehensive Plan (2020). The Housing Chapter of the Southold Town Comprehensive Plan<sup>31</sup> identifies the following goals pertaining to the creation and sustainability of community housing within the Town, each of which are described in more detail below.

- Goal 1: Create Affordable Housing
- Goal 2: Promote Awareness About Housing Issues
- Goal 3: Retain Residents in Existing Housing
- Goal 4: Protect Quality of Life
- Goal 5: Develop Best Practices in Housing

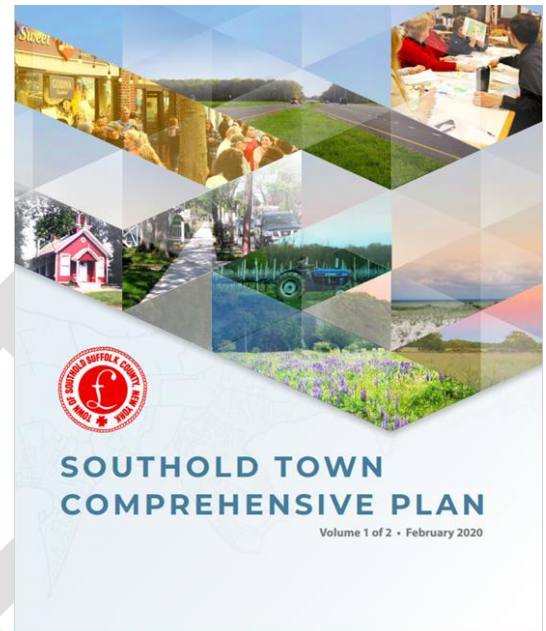
### Goal 1: Create Affordable Housing

The Comprehensive Plans notes the critical need for increased housing opportunities to maintain a vibrant workforce and serve the residents of the Town.

The Comprehensive Plan outlines an objective to provide *diversified* housing to meet the needs of current year-round residents, including senior citizens and local workers. Code amendments have made it possible for the development of accessory apartments in existing barns and garages that can be renovated into small apartments for singles or couples or which can be used by homeowners wishing to downsize while renting their homes to larger families.

The Town Zoning code provides an opportunity for homeowners to establish an accessory apartment to existing single-family homes. Recently, the Town of Southold collaborated on a funding opportunity with the Long Island Housing Partnership to access New York State funding to support the creation of accessory apartments or accessory dwelling units (ADU's) through grants to low and middle-income single-family homeowners.

In addition, the Comprehensive Plan discusses the potential for revolving grant assistance programs to enable residents on the Housing Registry to rehabilitate or purchase homes. This



<sup>31</sup> The 2020 Comprehensive Plan is available on the Town Website at [southoldtownny.gov/123/Comprehensive-Plan](https://southoldtownny.gov/123/Comprehensive-Plan), and can be viewed at local libraries and at the office of the Southold Town Clerk, 53095 Route 25, Southold.



Community Housing Plan explores the potential for grants, as well as low interest loans, as potential implementation measures which are discussed in more detail in Section 4.

**Goal 2: Promote Awareness About Housing Issues**

The Comprehensive Plan notes that many residents are unaware of the existing resources that might help them obtain funding to buy a home, fend off foreclosure, or maintain their home. In addition, there are many misconceptions about housing. The Comprehensive Plan proposed potential solutions including the development of educational forums related to housing services, program, and resources, as well as the preparation and distribution of printed and online materials to accompany the forums.

This Community Housing Plan seeks to further this goal by including outreach from the community in the preparation of this Plan. Presentations on community housing were given at Town Board Work Sessions, and at meetings with a local civic association, Housing Advisory Committee, and Village of Greenport. These sessions included sharing a link to a survey about community housing. The survey was available online, included as a QR code on posters throughout the town, and via paper copies.

**Goal 3: Retain Residents in Existing Housing**

The Comprehensive Plan notes that there is a large percentage of senior residents residing within the Town and that seniors have unique housing needs. The basis for the Peconic Bay Region Community Housing Act was to provide funds for the creation of community housing to allow current residents to remain in the East End towns which have been impacted by changes in the local housing market. This Community Housing Plan recommends the creation of grants dedicated to increasing senior housing units in the Town as discussed further in Section 4.

**Goal 4: Protect Quality of Life**

This goal from the Comprehensive Plan is focused on protecting quality of life for neighbors of neglected homes and blighted properties, and protecting the safety of rental tenants. A priority of this Community Housing Plan is to maintain and support existing community housing units. Recommended potential grant funding is outlined in Section 4 including maintenance and operational support for existing community housing providers.

**Goal 5: Develop Best Practices in Housing**

This Comprehensive Plan goal is focused on ensuring that the Town keeps up to date with evolving legislation, policies, and programs that provide innovative housing solutions. This Community Housing Plan stems from a solution created through NYS legislation adopted in 2021, and the Town continues to be involved in regional forums ensuring successful launch and implementation of the community housing fund.



## APPENDIX C: AFFORDABLE HOUSING REVIEW COMMITTEE PROCESS

August 23, 2022

### Affordable Housing Review Committee Process

#### 1. Mission

To review the change of zone application and/or preliminary concept plans, structure, and applicant capability and make a recommendation to continue or not with an application and change of zone to AHD to the Town Board.

#### 2. Members

- a. Supervisor and two Town Board Liaisons
- b. Planning Staff and Planning Board Member(s)
- c. Chair, Housing Advisory Commission
- d. Chair, Architectural Review Committee
- e. Chief Building Inspector

#### 3. Concept Plan Process (This process preliminary reviews the concept of an application)

- a. Direct all affordable housing inquiries that require zone change to the Town Clerk for processing.
  - i. Submission Requirements
    1. Completed Preliminary Concept Form (New).
    2. Concept Plan.
  - ii. Developer Resume, Portfolio, and Qualifications.
- b. Town Clerk will notify the Town Board and AHRC of the new concept application.
- c. AHRC meets with applicants; if the AHRC decides to continue with the concept and the zone change, they would make a written recommendation to the Town Board.
- d. If Town Board agrees to proceed, they schedule the concept for a work session.
  - i. Hold a public informational session
  - ii. Elect to consider the change of zone
  - iii. Elect not to consider the change of zone
- e. If Town Board elects to consider the change of zone then the applicant submits the formal change of zone application to the Town Clerk and the process continues as described in the Town Code 280-29 (This requires more detailed plans and information.).
  - i. Request the Planning Board's & Housing Advisory Commission's reports
    1. 60-day deadline for the reports

Source: Town of Southold Website, downloaded March 2023



## APPENDIX D: MAXIMUM HOME PURCHASE PRICE AND MONTHLY RENTAL AMOUNTS FOR SOUTHOLD TOWN AFFORDABLE HOUSING REGISTRY



### RESOLUTION 2022-846

#### ADOPTED

DOC ID: 18496

THIS IS TO CERTIFY THAT THE FOLLOWING RESOLUTION NO. 2022-846 WAS ADOPTED AT THE REGULAR MEETING OF THE SOUTHOLD TOWN BOARD ON OCTOBER 18, 2022:

RESOLVED that the Town Board of the Town of Southold hereby sets the maximum initial sales price and maximum allowable monthly rent for 2022 for affordable housing units as follows:

#### Home Purchase Price May Not Exceed

Households earning 80% or less of the HUD median income for Nassau/Suffolk	\$290,625*
Households earning 100% or less of the HUD median income for Nassau/Suffolk	\$366,000**
Households earning 120% or less of the HUD median income for Nassau/Suffolk	\$439,250***

\* 2.5 times the 80% median income family of four - Nassau/Suffolk County (\$116,250)

\*\* 2.5 times the 100% median income family of four - Nassau/Suffolk County (\$146,400)

\*\*\* 2.5 times the 120% median income family of four - Nassau/Suffolk County (\$175,700)

#### Monthly Rental Amounts May Not Exceed (utilities may or may not be included)

Efficiency	\$ 1,372***
One Bedroom	\$ 1,695***
Two Bedroom	\$ 2,065***
Three Bedroom	\$ 2,642***
Four Bedroom	\$ 2,911***

\*\*\* represents HUD fair market rental

RESOLVED that pursuant to Chapter 240-10-B(2)(c)[2][a] of the Town Code, the Town Board of the Town of Southold hereby sets \$290,625 as the amount of payment required per housing unit for Moderate Income Family Dwelling Units not built within the Town of Southold's inclusionary zoning requirements. Said amount reflects two- and one-half times 80 % of the Nassau/Suffolk median income for a family of four in accordance with the Long Island Workforce Housing Act.

Denis Noncarrow  
Southold Town Clerk

Source: Town of Southold Website, downloaded March 2023





## APPENDIX E: HOUSING NEEDS ASSESSMENT SOURCES & METHODOLOGY

Section 3.0 Housing Needs Assessment includes a review and analysis of information compiled from the following sources:

United States Census Bureau was consulted for data and statistics regarding demographics including population, housing, and economic statistics from the 2000 Census, 2010 Census & American Community Survey (ACS) Five-Year Estimates, and 2020 Census and ACS 5-Year Estimates. All town-wide analyses were based on the *Southold Town, Suffolk County, NY geography*, which includes the Village of Greenport. In addition, the analysis of population and housing trends includes the individual hamlets within the Town and the Village of Greenport based on the following Census Designated Place (CDP) data: Cutchogue, East Marion, Fishers Island, Greenport (village), Laurel, Mattituck, New Suffolk, Orient, Peconic, West Greenport (hamlet), and Southold (hamlet).

Environmental Systems Research Institute, Inc. (ESRI) generated on-demand demographic reports specific to the Southold Town through the Business Analyst Online program. All estimates provided by ESRI draw upon data from sources including the Current Population Survey, American Community Survey, Census of Retail Trade (all available via the United States Census Bureau), Consumer Expenditure Survey (via the United States Bureau of Labor Statistics), United States Postal Service, Internal Revenue Service, National Bureau of Economic Research, and other commercial and federal data sources.

New York State Education Department provided enrollment data for the six school districts within the Town of Southold, including: Fishers Island Union Free School District (UFSD), Greenport UFSD, Mattituck-Cutchogue UFSD, New Suffolk Common School District, Oysterponds UFSD, and Southold UFSD and information regarding the number of students that are economically disadvantaged within each school district.

AirDNA was consulted for statistics about the short-term rental market for each of the hamlets in the Town of Southold and the Village of Greenport (with the exception of Fishers Island).

The Southold Town Comprehensive Plan was published in February 2020 and included extensive background research and input from the community. Insights from the Comprehensive Plan were incorporated into the Needs Assessment to provide additional context and background information.

The Community Housing Survey was hosted online, and a link to the survey was included as a QR code on posters placed throughout the town, shared via email, at Town Board work session presentations, and in the Suffolk Times. Paper copies of the survey were made available at the Town Planning Department and the CAST office. The survey was launched in October 2022 and as of February 28, 2023, over 750 responses were submitted. Nearly 90% of respondents (695 respondents) reported being current residents of the Town of Southold, with many of the nonresidents indicating that they were former Town residents or individuals who work in Southold.





## APPENDIX F: EXISTING DEMOGRAPHIC AND ECONOMIC PROFILE

### Population Growth

The total year-round population in Southold steadily increased during the 20-year period analyzed, as shown in **Table 3-1**. Between 2000 and 2010, the population was estimated to increase by approximately 7% from an estimated population of 20,600 residents in 2000 to an estimated 21,968 residents in 2010. Between 2010 and 2020, the population increased by approximately 8% to an estimated 23,732 residents.

Table 3-1: Southold Population		
Year	Population	% Change
2000 Census	20,600	-
2010 Census	21,968	7%
2020 5-Year ACS Estimates	23,732	8%

Source: 2000, 2010 & 2020 Census Data

**Table 3-2** shows the population change for each of the hamlets within the Town of Southold and the Village of Greenport in 2000, 2010, and 2020 based on decennial Census data. The vast majority of hamlets experienced population growth during the time period analyzed, with the largest percent growth (over 39% growth) observed in the hamlets of Fishers Island, Orient, East Marion, and West Greenport. Significant growth was also observed in Cutchogue, Laurel, New Suffolk (over 20% growth). The Southold hamlet experienced an estimated 11% growth, while the populations in Mattituck and Greenport Village only increased slightly (less than 5%). The only hamlet to experience a decrease in population was Peconic.

Table 3-2a: Southold Population by Hamlet				
Hamlet	2000 Population	2010 Population	2020 Population	2000-2020 % Change
Cutchogue	2,849	3,349	3,437	21%
East Marion	756	926	1,048	39%
Fishers Island	289	236	424	47%
Greenport (Village)	2,048	2,197	2,058	0%
Laurel	1,188	1,394	1,495	26%
Mattituck	4,198	4,219	4,322	3%
New Suffolk	337	349	403	20%
Orient	709	743	999	41%
Peconic	1,081	583	692	-36%
West Greenport (Hamlet)	1,579	2,124	2,190	39%
Southold (Hamlet)	5,465	5,478	6,040	11%



Source: 2000, 2010 & 2020 Census Data

Although it is well-known that Southold is a popular destination for tourists (particularly in the summer months) and contains a significant seasonal population, as discussed in the Comprehensive Plan, “there are no readily available demographics to help us understand the composition of the seasonal population.” While it would be helpful to understand more about the seasonal population of Southold, the intent of this Housing Plan is to focus primarily on the year-round population of Southold and their housing needs and a more detailed and targeted analysis involving substantial outreach to the seasonal population would be required to understand the demographics.

### Hispanic/Latino Population

Table 3.2b: Hispanic/Latino Population			
Location	2010	2020	Percent Increase
Southold Town (including Village of Greenport)	2382	3610	51.6%

Source: 2010 & 2020 Census Data

In 2010 the Hispanic/Latino population accounted for 2,382 out of 21,968 total residents, or 10.84%. In 2020, they accounted for 3,610 out of 23,732 total residents, or 15.21%. The terms Hispanic and Latino are based on definitions used by the U.S. Census,

“About Hispanic Origin: The U.S. Office of Management and Budget (OMB) requires federal agencies to use a minimum of two ethnicities in collecting and reporting data: Hispanic or Latino and Not Hispanic or Latino. OMB defines “Hispanic or Latino” as a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin regardless of race. People who identify with the terms “Hispanic” or “Latino” are those who classify themselves in one of the specific Hispanic or Latino categories listed on the decennial census questionnaire and various Census Bureau survey questionnaires – “Mexican, Mexican Am., Chicano” or “Puerto Rican” or “Cuban” – as well as those who indicate that they are “another Hispanic, Latino, or Spanish origin.”

The 2010 Census question on Hispanic origin included five separate response categories and one area where respondents could write in a specific Hispanic origin group. The first response category was intended for respondents who do not identify as Hispanic. The remaining response categories (“Mexican, Mexican Am., Chicano”; “Puerto Rican”; “Cuban”; and “another Hispanic, Latino, or Spanish origin”) and write-in answers can be combined to create the OMB category of Hispanic.” - <https://www.census.gov/topics/population/hispanic-origin/about.html>

### Age Distribution

The age distribution of the year-round population in Southold is available from the 2000 and 2010 Census, as well as the 2020 5-Year American Community Survey (ACS) estimates. The 2020 Decennial Census data available at the time this analysis was conducted did not include age



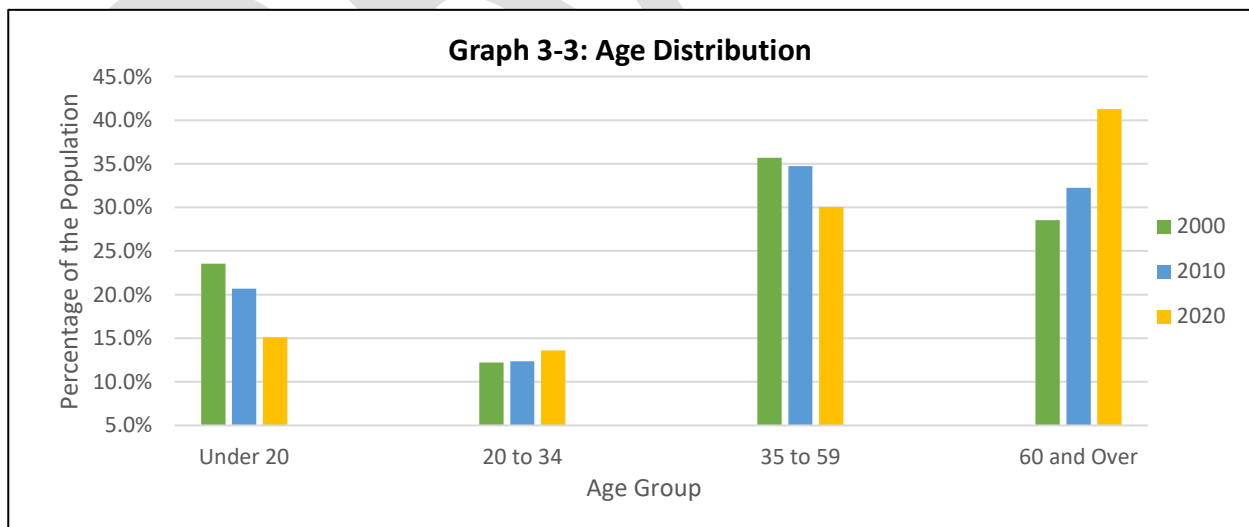
distribution information. Since the 2020 age distribution data is from the ACS rather than the Decennial Census, there are discrepancies in the total population. Therefore, this study focused on the percent distribution for each age group, rather than the actual population counts to observe the trends in age distribution.

The age distribution of the year-round population of the Town of Southold, including the Village of Greenport, is shown in **Table 3-3** and **Graph 3-3**. The population of young people (under 20) has declined significantly in the past twenty years from over 23% to 15% of the total year-round population. The 20-34-year-old population remained about the same at a range of approximately 12 to 13% of the total population.

The 35-59-year-old population has decreased from over 35% in 2000 to about 30% in 2020, while the senior population (over 60 years old) has increased significantly from 28% in 2000 to more than 41% of the total year-round population in 2020. The over 60 population is the only age group in the Town that has increased consistently as compared to other age groups over the past three decades.

Table 3-3: Southold Age Distribution Over Time			
Age Range	2000	2010	2020
Under 20	23.6%	20.7%	15.1%
20 to 34	12.2%	12.4%	13.6%
35 to 59	35.7%	34.7%	30.0%
60 and Over	28.6%	32.2%	41.3%

Source: 2000 & 2010 Census, 2020 5-Year ACS Estimates





The age distribution trends reflect the results of the Community Housing Survey where nearly half of the over 750 respondents were seniors (aged 65 and older) and an additional 21% of respondents were between the ages of 55 and 64. Although efforts were made to receive input from residents of all ages, additional efforts may be necessary to receive input from younger generations when conducting updates to the Needs Assessment to understand the housing needs of these groups. It is noted, however, that insight was received about the needs of the younger generation through the many comments provided by aged 60 and older respondents regarding the needs of their adult children and grandchildren. The full age distribution of survey respondents is provided in **Table 3-4**.

<b>Table 3-4: Community Housing Survey Respondents Age Distribution</b>		
<b>Age Range</b>	<b>Count</b>	<b>% of Total Respondents</b>
Under 18	0	0%
18 to 24	9	1%
25 to 34	58	7%
35 to 44	90	12%
45 to 54	76	10%
55 to 64	167	22%
65 and Older	368	48%

Source: 2000 & 2010 Census, 2020 5-Year ACS Estimates

Based on the age distribution information, it is not surprising that the median age in Southold has increased over time as well, as shown in **Table 3-5**. In 2000, the median age of Town residents was 44.3, which increased to a median age of 49.0 in 2010, and finally a median age of 54.9 in 2020, which represents an approximately 24% change over the 20-year time period analyzed.

<b>Table 3-5: Southold Median Age Over Time</b>			
	<b>2000</b>	<b>2010</b>	<b>2020</b>
Median Age	44.3	49.0	54.9

Source: 2000 & 2010 Census, 2020 5-Year ACS Estimates

The year-round population in the Town of Southold shows age distribution trends that are consistent with other communities attractive to retirees and a seasonal population. More specifically, these trends include a relatively high median age; fewer people in the younger adult cohorts; and a high percentage of the population over 50 years old. The Southold Comprehensive Plan notes that Suffolk County has the second-largest senior population in the State of New York, with 14.5% of the population of Suffolk County reported as being 65 years or older. In addition, the Plan notes that in 2010, more than 25% of Southold's population was 65 years or older, which is significantly higher than the percentage of seniors in Suffolk County.



The Community Housing Survey responses also indicated the need for housing for younger residents, families, and the workforce of Southold. When given the opportunity in the survey to provide any comments related to housing, the most common response was related to the need for housing opportunities for young people and families, with nearly 50 comments related to this topic. This need was identified by younger people who have struggled to find and afford safe and comfortable housing in the Town, causing some of them to delay having families and being unable to build wealth through home ownership. A number of older residents also expressed that their adult children have either remained living in their homes because they cannot afford their own housing in the Town, and some indicated that they know people who have moved away due to a lack of housing. Even respondents that considered themselves to have adequate housing often described how they are sympathetic to the struggle of the younger generations to find housing.

### School District Trends

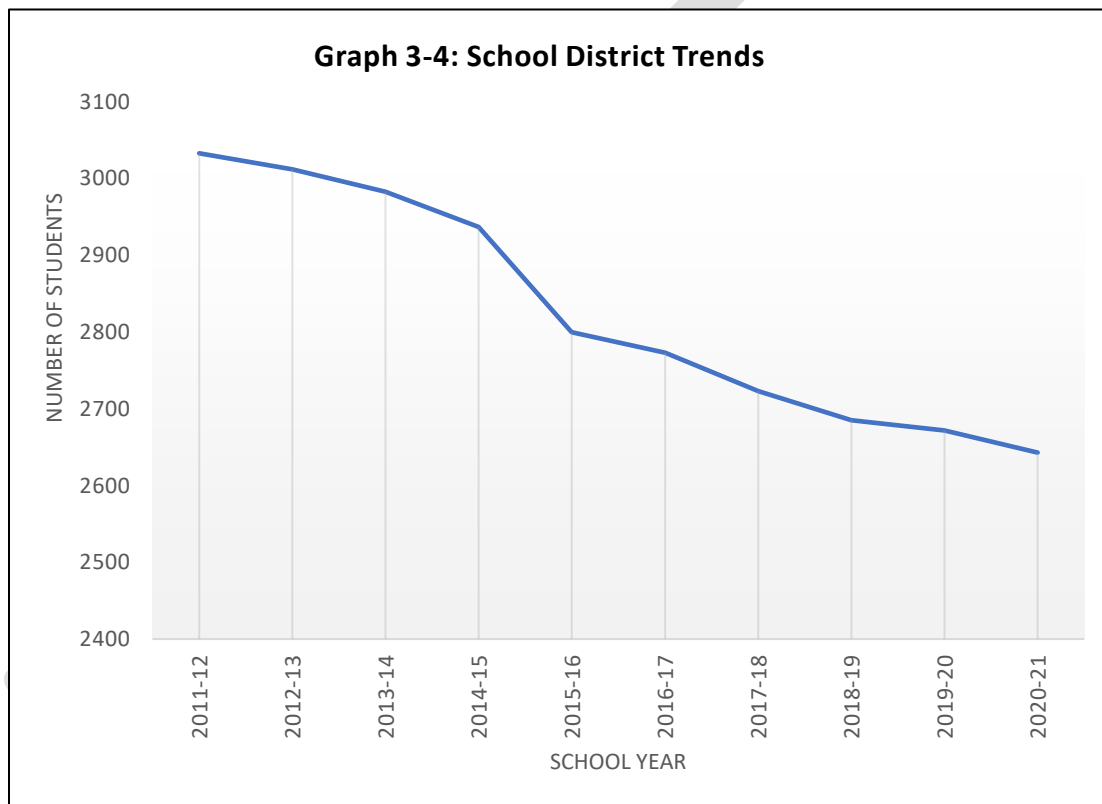
The Town of Southold is home to six school districts, which are: Fishers Island Union Free School District (UFSD), Greenport UFSD, Mattituck-Cutchoque UFSD, New Suffolk Common School District, Oysterponds UFSD, and Southold UFSD. Analyzing enrollment trends observed in the Southold school districts supports the trend that the younger population is declining in the Town. The number of children enrolled in Southold school districts has generally been steadily declining in the ten years analyzed, as shown in **Table 3-6** and **Graph 3-4**. The 2011-2012 total enrollment for all school districts was 3,033 students, which is the largest student population observed in this analysis. By the 2020-2021 school year, the number of students decreased to 2,643, a net decrease of 13% or 390 students. In the ten years analyzed there were no years that showed even a slight increase in the total number of students, although there are individual districts that witnessed slight increases (an increase of less than 20 students) in enrollment over the ten-year period analyzed.

Table 3-6: School District Enrollment			
School District	Number of Students		
	2011-2012 School Year	2020-2021 School Year	10-Year Change
Fishers Island UFSD	61	65	+4
Greenport UFSD	608	623	+15
Mattituck-Cutchoque UFSD	1,418	1,089	-329
New Suffolk CSD	7	14	+7
Oysterponds UFSD	81	95	+14
Southold UFSD	858	757	-101
<b>Total</b>	<b>3033</b>	<b>2643</b>	<b>-390</b>

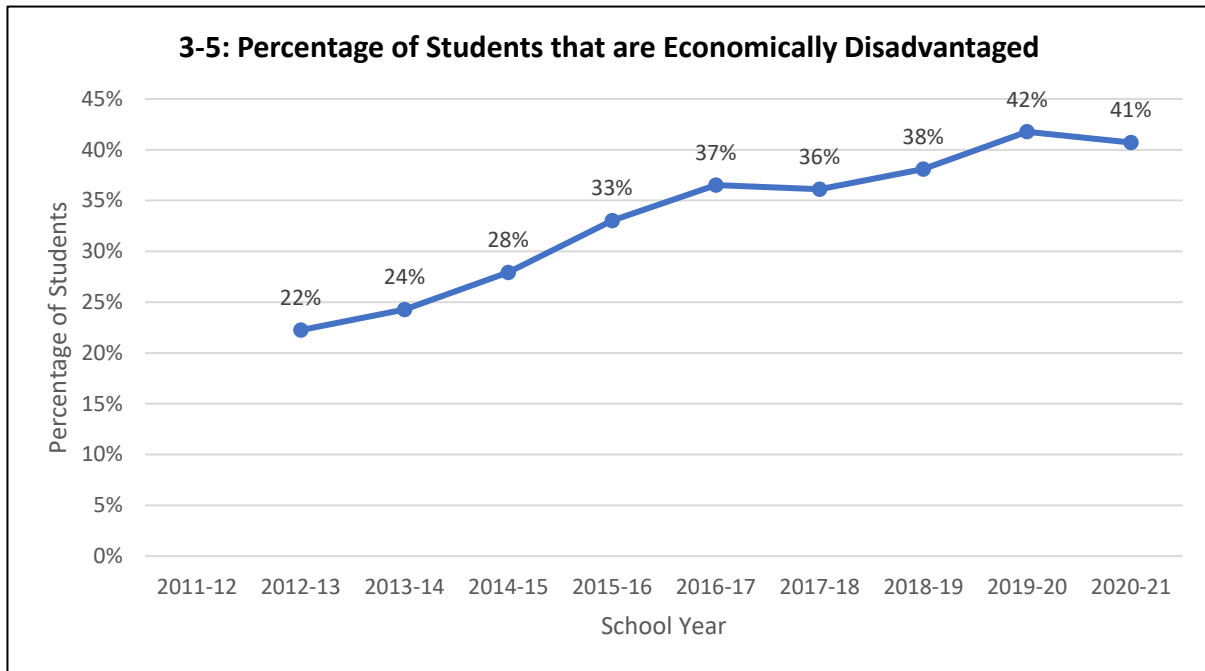
Source: New York State Education Department



The trends observed in the school district population support the overall population trends from the Census Bureau data showing a decline in the population of young residents. According to the 2000 Census, 28% of households in the Town of Southold include children under 18 years old. By the 2010 Census, 22.7% of households had children under 18 residing in the household. Although data is not yet available from the 2020 Census for this metric, it appears that this trend of declining households with children would be expected to continue based on the decrease in school enrollment over the past 10 years. While not the only factor contributing to the decline in school children, at least some families are unable to afford housing in Southold and have relocated.



Each Southold school district provides information about the number of students that are considered economically disadvantaged each year. Economically disadvantaged students participate in economic assistance programs, such as free or reduced-price lunches, social security insurance, food stamps, and other similar programs. In the ten years analyzed, the percentage of students considered economically disadvantaged has increased every year, with the exceptions of the 2017-18 and 2020-21 school years, as shown in **Graph 3-5**. The decrease in 2020-21 likely represents the addition of new students of relatively wealthy families residing full-time in Southold during the pandemic.



When viewing each school district individually, disparity among the districts regarding the percentage of economically disadvantaged students becomes very clear, as shown in **Table 3-7**. There are districts with no economically disadvantaged students, namely New Suffolk Common School District, Oysterponds UFSD, and Fishers Island UFSD. The Southold UFSD and the Mattituck-Cutchogue UFSD each had a moderate amount of economically disadvantaged students. The Greenport UFSD which, from 2011 to 2021 increased from 51% to 75% of the student population qualifying as economically disadvantaged.

Table 3-7: Percentage of Students that are Economically Disadvantaged by School District			
School District	2011-2012 School Year	2020-2021 School Year	10-Year Change
Fishers Island UFSD	0%	0%	0%
Greenport UFSD	51%	75%	+24%
Mattituck-Cutchogue UFSD	14%	30%	+16%
New Suffolk CSD	0%	0%	0%
Oysterponds UFSD	0%	0%	0%
Southold UFSD	19%	38%	+19%

Source: New York State Education Department

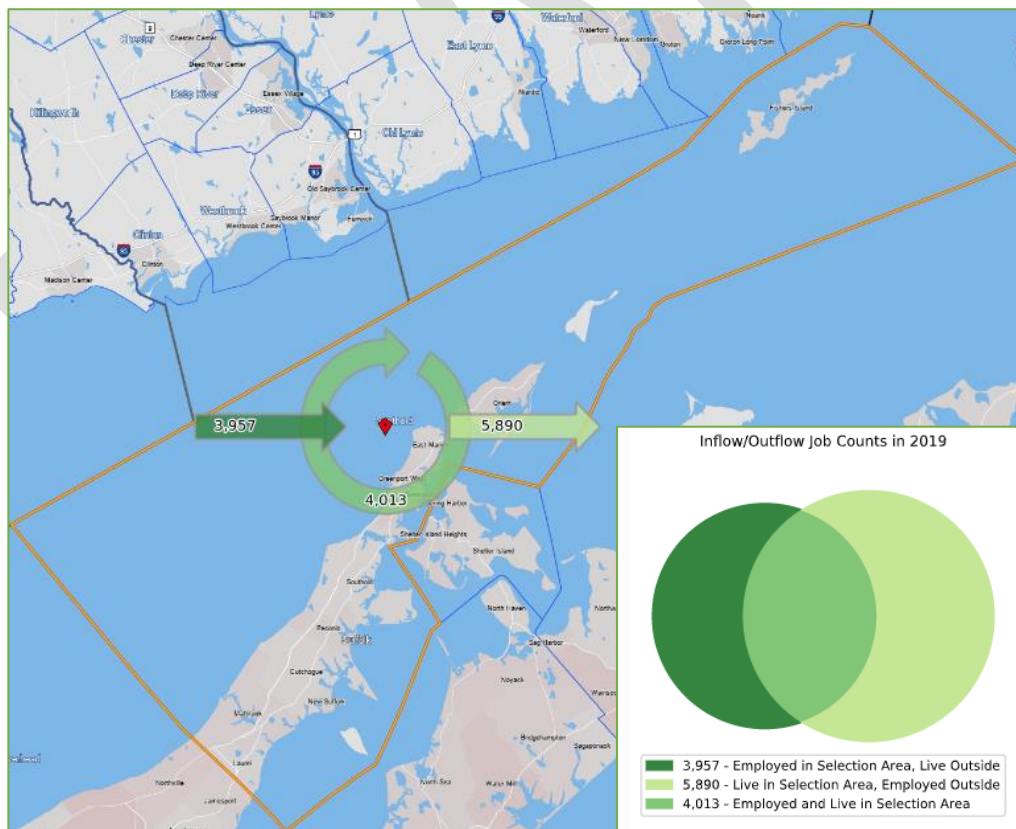




## Inflow/Outflow of Jobs

The United States Census Bureau hosts the “On the Map” tool which allows for a detailed analysis of commuting characteristics. An inflow/outflow analysis was performed for the Town of Southold, which shows the relationship between employees working in the Town of Southold and their location of residence. The analysis used 2019 data as that was the most recent information available and includes all types of jobs. The results of this analysis are shown in the graphic to the right. It was estimated that 3,957 employees in Southold reside outside of the Town and 5,890 Southold residents travel out of the Town for work. An estimated additional 4,013 residents both work and live in Southold.

Another “On the Map” analysis that is revealing shows where Southold workers live. Based upon the analysis, only 50.4% of all working in the Town live in the Town of Southold. The rest come from a variety of places, the most traveling from Brookhaven (1,010 people), Riverhead (752 people) and Southampton (403) towns. While not all of these workers would wish to live in the Town of Southold, it is expected that many would consider a move if feasible to avoid a lengthy commute from even nearby townships.





## Household Income

The household median income in the Town has increased significantly in the past 20 years from \$49,898 in 2000 to an estimated \$87,109 in 2020, as illustrated in **Table 3-8**, representing a percent increase of approximately 75%. Although overall incomes have increased, there are residents who struggle to afford housing in the Town based on their current incomes, even for households with more than one income.

<b>Table 3-8: Median Household Income</b>	
<b>Year</b>	<b>Median Household Income</b>
2000 Census	\$49,898
2010 5-Year ACS Estimates	\$73,171
2020 5-Year ACS Estimates	\$87,109

Source: 2000 & 2010 Census, 2020 5-Year ACS Estimates

When considering the median income of each hamlet located within the Town of Southold, the Southold communities show some disparity, as illustrated in **Table 3-9**. In the year 2000, the difference between the community with the highest household median income (Cutchogue) and the lowest median income (East Marion) was \$20,886. In comparison, in 2020 the difference between the highest median income community (Laurel) and the lowest median income community (Fishers Island) jumped up to \$77,207. It is noted that median household income for some areas reflects the high percentage of retirees.

<b>Table 3-9: Median Household Income by Hamlet</b>				
<b>Hamlet</b>	<b>2000</b>	<b>2010</b>	<b>2020</b>	<b>2000-2020 % Change</b>
Cutchogue	\$65,469	\$82,574	\$112,747	72%
East Marion	\$44,583	\$73,050	\$86,900	95%
Fishers Island	\$50,521	\$67,045	\$46,250	-8%
Greenport (Village)	\$31,675	\$48,398	\$62,045	96%
Laurel	\$57,639	\$105,119	\$123,457	114%
Mattituck	\$55,353	\$90,015	\$91,040	64%
New Suffolk	\$51,667	\$44,643	\$104,375	102%



Table 3-9: Median Household Income by Hamlet				
Hamlet	2000	2010	2020	2000-2020 % Change
Orient	\$45,461	\$77,000	\$72,885	60%
Peconic	\$52,368	\$78,295	\$91,283	74%
West Greenport (Hamlet)	\$44,063	\$63,153	\$66,202	50%
Southold (Hamlet)	\$47,074	\$70,903	\$86,632	84%

Source: 2000, 2010 & 2020 Census Data, 2010 & 2020 ACS 5-Year Estimates



## APPENDIX G: EXISTING HOUSING PROFILE

### Housing Stock

The total number of housing units in Southold has increased during the 20 years analyzed, as indicated in **Table 3-10**. Occupied housing units include year-round residences which are estimated to have increased from 8,460 residences in 2000 to 9,090 residences in 2010 and finally 9,562 residences in 2020. The number of vacant housing units also increased between 2000 and 2020 from approximately 5,309 residences to about 6,736 residences in 2020. Most housing units classified as “vacant” by the Census Bureau are seasonal residences and these comprise roughly 90% of the vacant housing stock in Southold, with the remaining vacant homes being unoccupied or currently being offered for sale. The percent growth in total housing units was 18% between 2000 and 2020. Between 2000 and 2020 the number of occupied housing units increased by only 1,102 whereas the number of vacant housing units increased by 1,427. Represented as a yearly average increase in housing units, the number of owner-occupied units increased by over 55 units per year whereas the number of vacant housing units increased by over 71 units per year.

Table 3-10: Number of Housing Units			
Type of Housing Unit	2000	2010	2020
Total Occupied Housing Units (Households)	8,460	9,090	9,562
Total Vacant Housing Units (includes seasonal homes)	5,309	6,287	6,736
<b>Total Housing Units</b>	<b>13,769</b>	<b>15,377</b>	<b>16,298</b>

Source: 2000, 2010 & 2020 Census Data, 2010 & 2020 ACS 5-Year Estimates

It is anticipated that the vast majority of this new residential construction was single-family homes because it is estimated that nearly 90% of the homes in Southold are single-family detached homes. This trend has stayed consistent for the 20 years analyzed and likely much longer. Detailed housing structure type information for the Town is shown in **Table 3-11**.

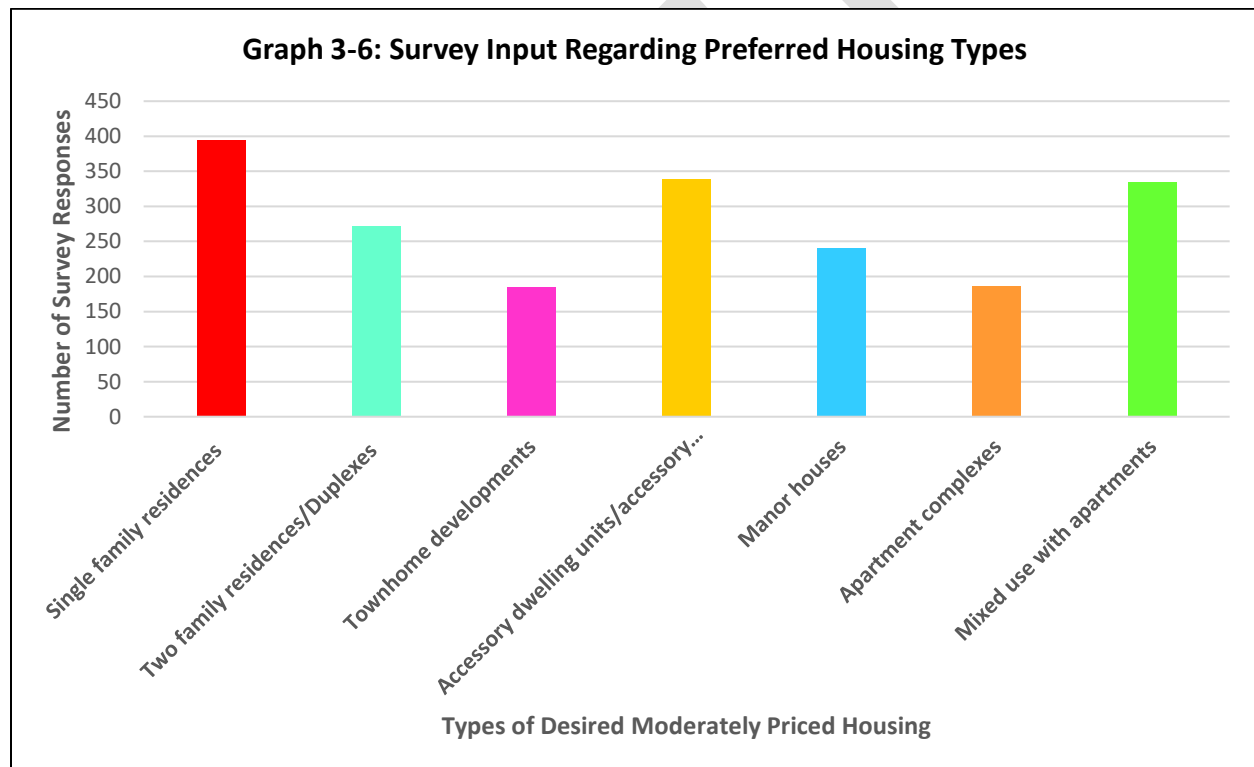
Table 3-11: Percentage of Housing Units by Structure Type			
Type of Structure	2000	2010	2020
1-unit, detached	90%	89%	90%
1-unit, attached	1%	1%	1%
2 units	3%	3%	3%
3 or 4 units	1%	2%	2%
5 to 9 units	3%	2%	2%
10 to 19 units	0%	1%	1%
20 or more units	0%	2%	1%
Mobile home	1%	0%	0%



Table 3-11: Percentage of Housing Units by Structure Type			
Type of Structure	2000	2010	2020
Boat, RV, van, etc.	0%	0%	0%
<b>Total Occupied Housing Units</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: 2000, 2010 & 2020 Census Data, 2010 & 2020 ACS 5-Year Estimates

The Community Housing Survey queried respondents about the types of housing units they would like to see more of in their communities. Respondents indicated support for numerous types of housing units, with the most support for single-family homes, ADUs, and mixed-use buildings with apartments, as shown in **Graph 3-6**.



The longer-term trends in the age of the housing stock are shown in **Table 3-12**. More than a fifth of homes in Southold were constructed prior to 1940 (over 3,500). Following 1950, the number of new houses built every ten years showed some growth and plateaued between 1,600 units and 2,300 units. A very small number of housing units have been constructed since 2010, comprising less than 200 housing units. This slowdown in construction could be related to economic conditions, the lack of vacant land within the Town that can be developed, or expensive and time-consuming approval processes, and is likely exacerbating the existing housing shortage in the Town.



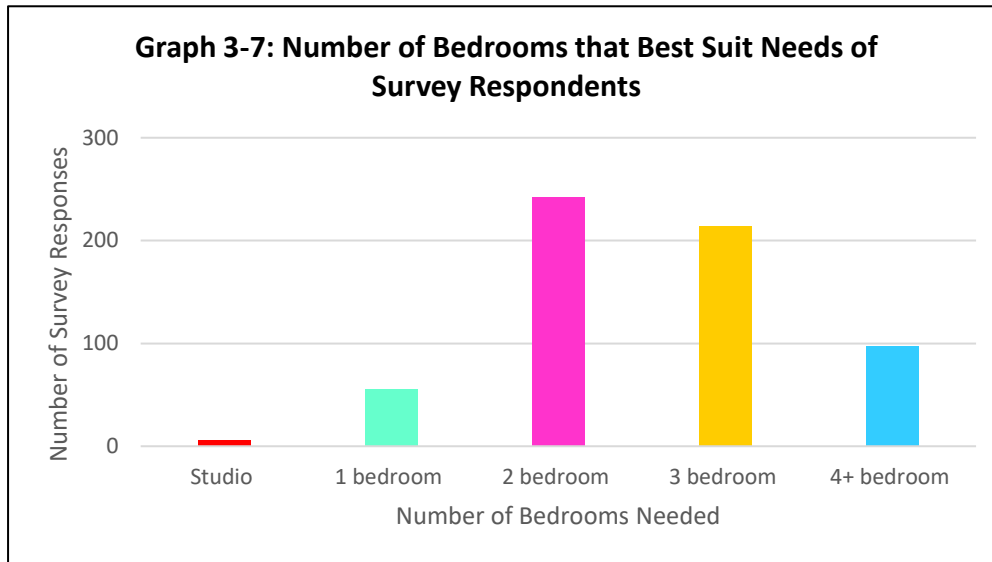
Table 3-12: Year Structure Built	
Year Structure Built	# of Housing Units
Built 2014 or later	29
Built 2010 to 2013	139
Built 2000 to 2009	2,109
Built 1990 to 1999	2,224
Built 1980 to 1989	1,996
Built 1970 to 1979	2,334
Built 1960 to 1969	1,649
Built 1950 to 1959	1,400
Built 1940 to 1949	888
Built 1939 or earlier	3,530
<b>Total</b>	<b>16,298</b>

Source: 2000, 2010 & 2020 Census Data, 2010 & 2020 ACS 5-Year Estimates

Census data indicates that the housing stock in Southold contains a variety of sized units in terms of the number of bedrooms, as shown in **Table 3-13**. Over the 20-year time period analyzed, housing units with three bedrooms were the most common. To start to quantify if the existing housing unit size in terms of number of bedrooms is consistent with the needs of the community, the Community Housing Survey asked respondents how many bedrooms would best suit their housing needs. As shown in **Graph 3-7**, the vast majority of respondents are interested in housing units with two or three bedrooms.

Table 3-13: Percentage of Housing Units by Number of Bedrooms			
Type of Structure	2000	2010	2020
No bedroom	1%	1%	1%
1 bedroom	6%	6%	6%
2 bedrooms	23%	20%	18%
3 bedrooms	45%	46%	44%
4 bedrooms	19%	21%	22%
5 or more bedrooms	7%	6%	8%

Source: 2000, 2010 & 2020 Census Data, 2010 & 2020 ACS 5-Year Estimates



## Housing Tenure

Housing tenure refers to the ownership or rental structure of housing units. Housing tenure trends in Southold have remained fairly consistent over time. There are significantly more year-round owner-occupied housing units than year-round renter-occupied housing units. The percentage of the total housing stock that is year-round owner-occupied ranged from 47% to 50% between 2000 and 2020. The percentage of renter-occupied units has consistently been low (under 15%) and continued to decline to an estimated 8% in 2020. As the only housing tenure category that has declined in the past 20 years, the number of renter-occupied units has decreased by nearly 30 units over the 20-year study period. A significant portion of the housing stock is comprised of seasonal homes, which has increased from nearly 35% of the total housing stock to nearly 37% of the housing stock. The remaining residences in the “Other” category in **Table 3-14** consist primary of homes that are vacant year-round and homes that are being offered for sale and consistently comprise about 4% to 5% of the housing stock, depending on the year.

Table 3-14: Housing Tenure Trends			
Housing Tenure	2000 (%)	2010 (%)	2020 (%)
Year-Round Owner-Occupied	49.6%	47.1%	50.5%
Year-Round Renter-Occupied	11.9%	12.1%	8.2%
Seasonal Homes	34.9%	35.7%	36.8%
Other	3.7%	5.2%	4.5%

Source: 2000, 2010 & 2020 Census Data, 2010 & 2020 ACS 5-Year Estimates





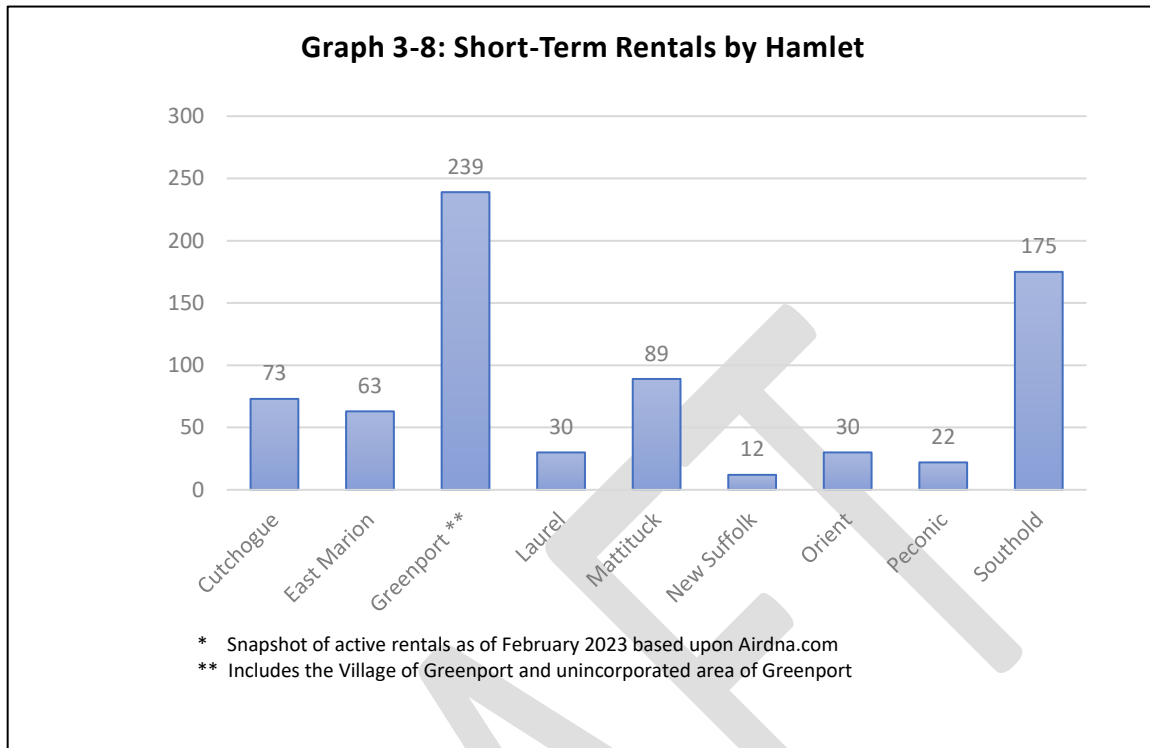
## Short-Term Rental Market

A component of the Town's year-round housing has traditionally been provided through private rentals. While short-term rentals (STR) have occurred prior to the popularization of online platforms such as VRBO and Airbnb, these companies have facilitated the rental of properties on a short-term basis by individual property owners and have greatly increased the incidence of STRs. While no direct correlation can be made, it is evident that as more housing units are used for short-term rentals, there are less housing units available for the year-round population. According to data obtained through airdna.co, there were over 700 active short-term rentals in the Town of Southold in the month of February 2023 on either Airbnb or VRBO, as shown in **Table 3-15** and **Graph 3-8**.

Table 3-15: Short-Term Rentals by Hamlet	
Hamlet <sup>32</sup>	Active Rentals
Cutchogue	73
East Marion	63
Greenport (including the incorporated village and unincorporated area of Greenport)	239
Laurel	30
Mattituck	89
New Suffolk	12
Orient	30
Peconic	22
Southold	175
Town of Southold & Greenport Village	733

Source: airdna.co

<sup>32</sup> No data was available for Fishers Island.



### Housing Market Conditions

The median housing value for owner-occupied residences in the Town of Southold has increased significantly during the 20-year time period analyzed, as shown in **Table 3-16**. The median value of owner-occupied homes house price has been trending upwards over time from a median value of \$218,400 in 2000 to a median value of \$604,800 in 2020. This represents a percent increase of 177% in median home value between 2000 and 2020. Respondents of the Community Housing Survey indicated that the median house price that they would feel comfortable purchasing was \$500,000, which is over \$100,000 less than the median housing price. And while the median housing price is reported as \$604,800, as of the date of this Needs Assessment, there were only eight homes listed for sale throughout the Town of Southold for \$600,000 or less.

Table 3-16: Town of Southold Median Value of Owner-Occupied Homes	
Year	Median Value
2000	\$218,400
2010	\$558,800
2020	\$604,800

Source: 2000 Census Data, 2010 & 2020 ACS 5-Year Estimates



**Table 3-17** shows more detailed home value statistics for each of the hamlets and the Village of Greenport, which indicates that every hamlet experienced significant increases in median housing value.

<b>Table 3-17: Median Value of Owner-Occupied Homes by Hamlet</b>				
<b>Hamlet</b>	<b>2000</b>	<b>2010</b>	<b>2020</b>	<b>2000-2020 % Change</b>
Cutchogue	\$254,300	\$640,100	\$637,200	151%
East Marion	\$206,800	\$590,700	\$681,800	230%
Fishers Island	\$270,600	\$800,000	No Data	196% <sup>33</sup>
Greenport (Village)	\$151,400	\$470,900	\$500,000	230%
Laurel	\$213,600	\$531,000	\$602,500	182%
Mattituck	\$203,900	\$555,100	\$543,000	166%
New Suffolk	\$217,800	\$694,700	\$854,200	292%
Orient	\$281,400	\$740,500	\$811,500	188%
Peconic	\$264,000	\$658,600	\$682,100	158%
West Greenport (Hamlet)	\$176,100	\$456,800	\$573,200	225%
Southold (Hamlet)	\$227,200	\$509,800	\$602,500	165%

Source: 2000 Census Data, 2010 & 2020 ACS 5-Year Estimates

Monthly rental rates are increasing over time as well, as shown in **Table 3-18**. In 2000, rentals were available at a variety of price points, with the majority of rentals in the \$500-\$999 range. By 2010, there was still a variety of price points available; however, the majority, by a slim margin, of rentals were in the range of \$1,000 to \$1,499. By 2020, there was less variety in price, and it is estimated that nearly 57% of rental units cost at least \$1,500 or more per month. The 20-year percent change between 2000 and 2020 shows how the number of rentals with rent of \$1,500 or more per month increased 1,580% and was the only category to show an increase.

<b>Table 3-18: Renter-Occupied Housing Units by Gross Rent</b>				
<b>Rent</b>	<b>Number of Renters by Year</b>			
	<b>2000</b>	<b>2010</b>	<b>2020</b>	<b>20-Year % Change</b>
Less than \$500	100	92	11	-89%
\$500 - \$999	896	421	66	-93%

<sup>33</sup> No data is available for the median housing value on Fishers Island in 2020. The percent change calculation is based on 2000 and 2010 and indicates the 10-year percent change.



\$1,000 - \$1,499	424	461	396	-7%
\$1,500 or more	45	449	756	1580%
No Data or No Rent Paid	117	161	108	-8%
<b>Total</b>	<b>1,582</b>	<b>1,584</b>	<b>1,337</b>	<b>-15%</b>

According to a search of One Key Multiple Listing Service (MLS) in March of 2023, 101 homes were available for sale in the Town of Southold. Listing prices ranged in price from \$399,000 to \$8,295,000. The nearly \$9 million home may be an anomaly as only 3 other homes were listed above \$4 million. There were 173 rental units listed; the majority of which were offered as seasonal or vacation homes.

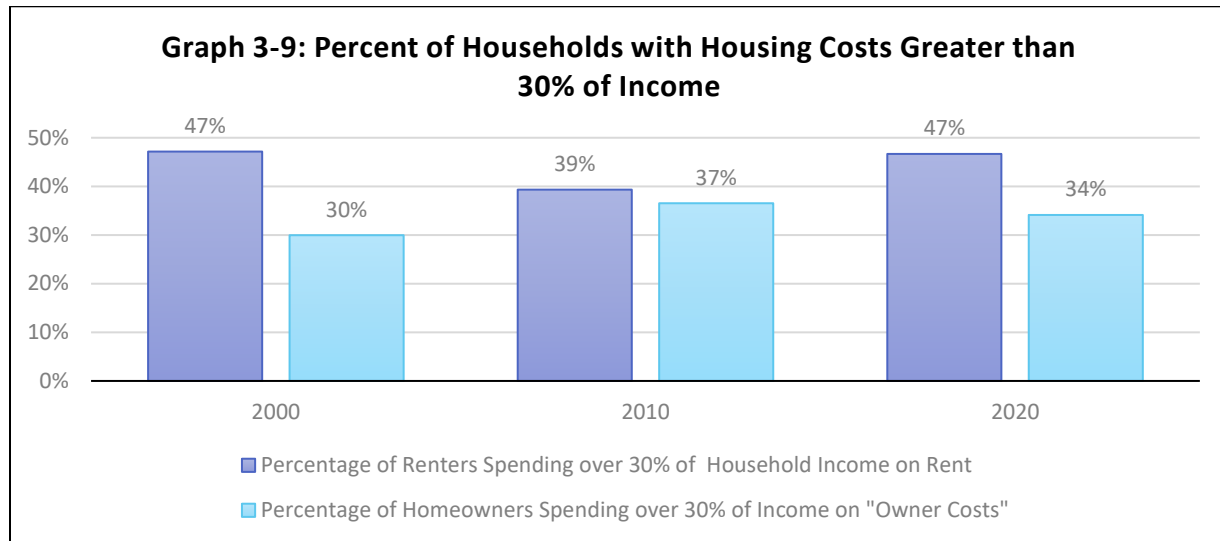
### Housing Gaps and Priority Housing Needs Analysis

A lack of housing options that are affordable to Town residents and employees of Town businesses has been a contributing factor to people seeking housing outside of the Town. According to the results of the Community Housing Survey, over 63% of respondents know someone who moved outside of Southold due to a lack of housing options. The main reason reported for moving outside of the town was that they could not afford the cost of housing.

### Cost Burdened Analysis

The US Department of Housing and Urban Development (HUD) defines housing cost burden as the percentage of household income required to pay for rent or ownership costs. A household is considered housing cost burdened if more than 30% of their income is spent on rent or ownership costs.

A review of the percentage of households spending more than 30% of their income on gross rent or ownership costs is shown in **Graph 3-9**. In 2000, the percentage of owner-occupied households spending over 30% of their income on housing costs was 30% of households, whereas the percentage of renters spending over 30% of their income on housing costs was approximately 47% of households. By 2010, the gap narrowed substantially. Where renters were previously more likely to be cost-burdened than homeowners in 2000, in 2010 the percentage of owner-occupied households and renter occupied households spending over 30% of their income on housing costs was 37% of households and 39% of households respectively. In 2020, it is estimated that once again 47% of renters were cost-burdened and 34% of homeowners were cost-burdened, reestablishing the gap between renter and homeowner housing cost burden.



\*The data for 2010 and 2020 is from the American Community Survey of the Census Bureau, which is based upon a sampling of the population and therefore includes a margin of error associated with statistically derived estimates. While there is a margin of error associated with the data, the intent of this needs assessment is to analyze the trends over time to determine if there are changing housing needs in the community.

### Affordable Housing Gap Analysis

As noted previously, the median 2020 housing value for the Town of Southold was reported as \$604,800. To determine the affordable sales gap within the Town, certain assumptions were made on the real estate taxes, mortgage terms and rates, and underwriting criteria. The calculation, for the purposes of this needs assessment, assumed a standard mortgage with the current interest rate for a 30-year, fixed-rate mortgage of 6.5%. The underwriting also assumes a 5% down payment and a housing debt-to-income ratio of 36%, which is the maximum allowed under a standard Fannie Mae mortgage. For purposes of this analysis, the yearly tax bill of \$6,000 was applied, since there is not a standard tax rate throughout the town.

Utilizing the criteria listed above, a homebuyer would need an annual income of approximately \$137,733 to purchase a \$604,800 home as shown in **Table 3-19**. A household earning the Town's median income of \$87,109 would have a gap of \$50,624 in annual income. Note that this calculation does not consider closing costs or private mortgage insurance.

Finally, the calculations assume 36% debt-to-income ratio, which is on the high side, where a 28% debt-to-income ratio is generally recommended. By using a lower debt-to-income ratio, the minimum income needed to afford the purchase of the median sales price home would increase. Regardless, based on the median income for households in the Town of Southold, most residents



would not be able to purchase a home selling at the current median housing value. Further, even though the median home price in the Town is around \$600,000, as previously mentioned, there are very few properties listed for, or below this price.

Table 3-19: Homeownership Affordability Gap		
Parameter	Input Value	Dollars
Southold Town Median Home Price		\$604,800
Mortgage Rate - 30 year Fixed	6.5%	-
Down payment 5 percent	5.0%	\$30,240
Real Estate Taxes (estimated)		\$6,000
Amount Mortgaged		\$574,560
Monthly Mortgage payments		\$3,632
Monthly Tax payments		\$500
Monthly housing payments (mortgage and taxes combined)		\$4,132
Housing Debt to income (DTI ratio)	0.36	\$11,478
<b>Yearly Income Required</b>		<b>\$137,733</b>
<b>Median Household Income (2020)</b>		<b>\$87,109</b>
<b>Yearly Income Deficit</b>		<b>\$50,624</b>



## APPENDIX H: HOUSING NEEDS ASSESSMENT STANDARD PROCESS

The Peconic Bay Region Community Housing Act requires an update to the Community Housing Plan every five years, although interim updates may be appropriate at intervals of less than five years if significant changes are observed that warrant an update, such as changing conditions related to Town demographics, applicable regulations, or land use trends.

It is recommended that an update to Needs Assessment be conducted in conjunction with any updates to the Community Housing Plan to ensure that the most recent conditions and housing/demographic trends are understood when developing the Plan update.

The process for updating should be similar to the process involved in the preparation of the present Needs Assessment and should include the following components:

- Updated population, housing, and economic trends assessment based on the most recent available Census, ACS, NYS Education Department and/or ESRI Business Analyst data. All sources of information utilized for this Needs Assessment have been identified in this assessment to assist with compiling updated records in the future.
- Review of the current real estate market conditions.
- An updated affordability gap analysis based on the most recent median home price, mortgage rates, tax rates, and median household income data available.
- Development, distribution, and analysis of an updated Community Housing Survey to provide an opportunity for input on the community's evolving housing needs and to receive feedback on the initial stages of implementation of the Community Housing Plan.
  - During the initial years of implementation of the Community Housing Plan, it is recommended that the Community Housing Survey be conducted annually, even if the Plan is updated every five-years.
  - Future iterations of the Community Housing Survey should be guided by an Outreach Plan, which can be developed through the Housing Program. The Outreach Plan should include details on providing multilingual materials and surveys, as well as how to effectively reach a broad range of stakeholders and residents in the Town. In particular, targeted outreach may be needed to reach certain groups, such as young adults or seniors.
- A review of any recently prepared or adopted Town planning documents to provide additional context to the trends and conditions in Southold.